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YERBA BUENA CENTER

PUBLIC FACILITIES

YERBA BUENA CENTER PUBLIC FACILITIES

A Description of the Scope, Character, Financing and Leasing Plans for the Public Facilities

Prepared for

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The Board of Supervisors of the City and County of San Francisco
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With the Assistance of

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Blyth & Co., Inc. • Financial Consultant

March 6, 1972

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INTRODUCTION AND CONTENTS

The Public Facilities of the Yerba Buena Center will form the nucleus of a new activity center for San Francisco. To be built in the central blocks of a large redevelopment area, they will provide the city with essential public open spaces and with long needed facilities for exhibitions, sports, and other entertainment, plus a location for community gatherings and conventions. These facilities will establish the framework for an integrated urban plan which provides for both public and private development. The stimulus from the building of the public facilities will serve as a catalyst for the re-building of a large area which is critical to the social and economic well being of San Francisco.

The scope of the public facilities, their design, cost and schedule for completion are all described in the first section of this report; the second section describes the financing plan, and some of the economic consequences of this significant public undertaking. The contents follow.

DOCUMENTS DEPT.

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PLAN AND PROGRAM FOR THE PUBLIC FACILITIES

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- D. Construction Estimate

FINANCING PROGRAM FOR PUBLIC FACILITIES

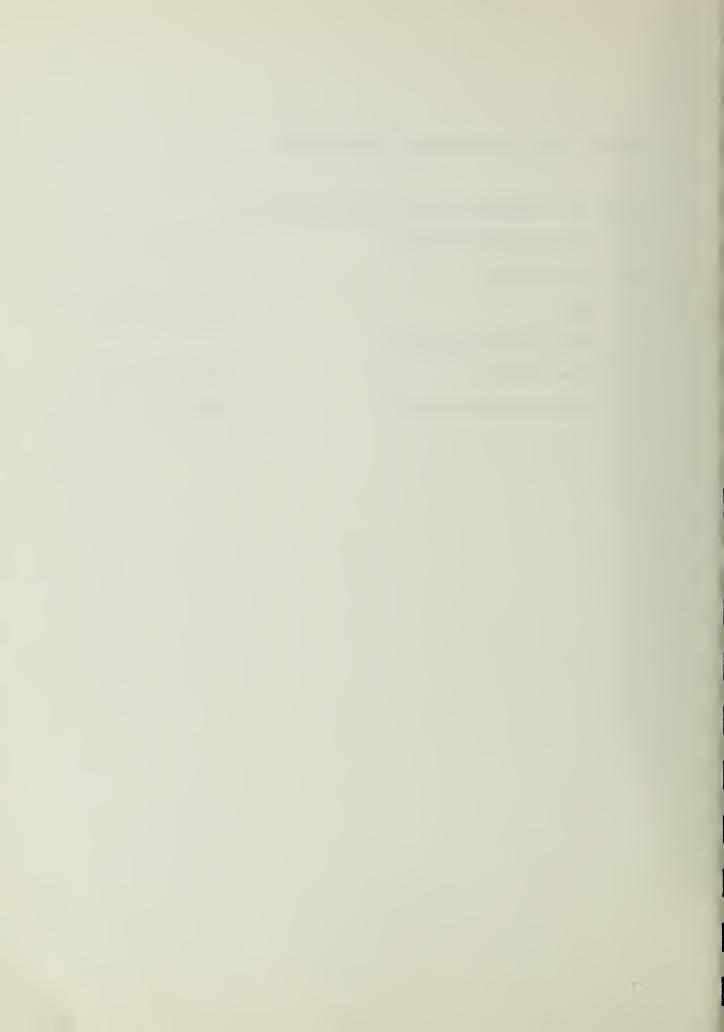
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YERBA BUENA CENTER PUBLIC FACILITIES

PLAN AND PROGRAM FOR THE PUBLIC FACILITIES

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Yerba Buena Center Design Group

Executive Architects
McCue Boone Tomsick
Design Principals
Kenzo Tange & Urtec
Lawrence Halprin & Associates
McCue Boone Tomsick
Urban Design Consultants
Mario Ciampi & Associates

Project Engineers

John A. Blume & Assoc., Engineers • Prime Structural Engineers
T. Y. Lin, Kulka, Yang & Assoc. • (Consultant to Blume)
Prof. Tsuboi • (Structural Consultant to Tange on Arena)
G.F.D.S., Engineers • (Structural Consultant to Halprin on Landscaping)
Gayner Engineers • Prime Mechanical Engineers
Cosentini Assoc. • (Consultant to Gayner)
Beamer Wilkinson & Assoc. • (M/E Consultant to Halprin)
Mr. Inuzuka • (M/E Consultant to Tange on Arena)

Operations Consultants

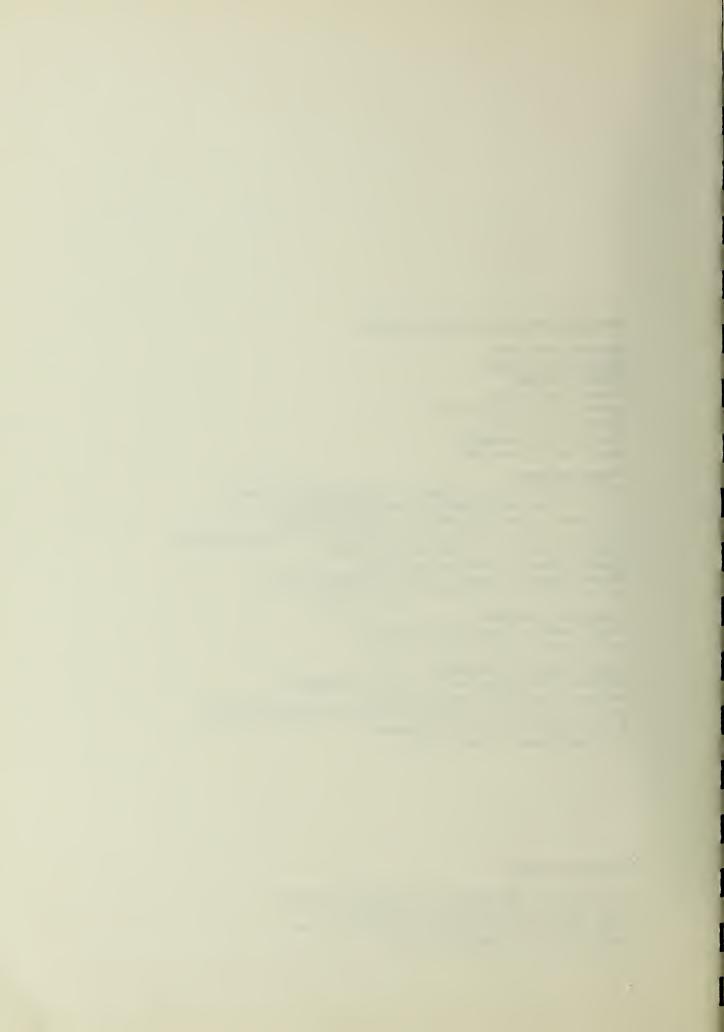
John D. McGillis • Convention Management James Appell • Sports Arena Management

Special Technical Consultants

Bolt Beranek & Newman, Inc. • Acoustics & Sightlines
DeLeuw, Cather & Co. • Traffic & Parking
Prof. J. E. Cermak and University of Colorado • Wind Tunnel Testing
E. H. Hesselberg • Elevators & Escalators
F. Schmid & Assoc. • Food Service

City Consultants

W. J. Moran Co. • Estimating & Construction Consultant Dames & Moore • Soils Testing & Inspection Orrick, Herrington, Rowley & Sutcliffe • Bond Counsel Blyth & Co., Inc. • Financing Consultant



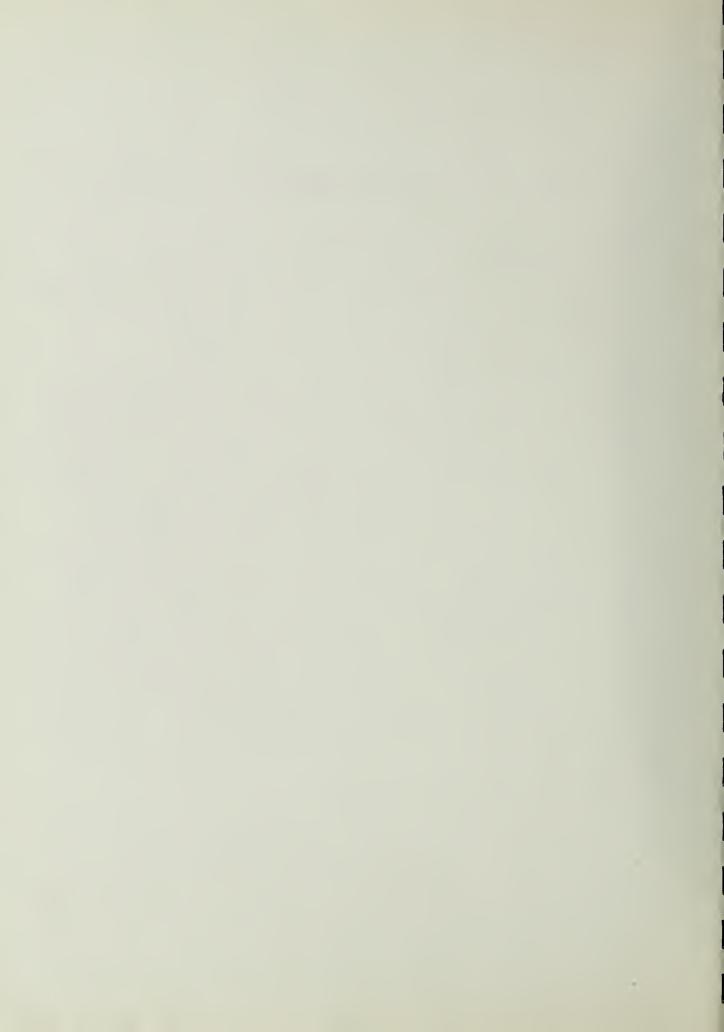


A. THE ARCHITECTURAL PROGRAM FOR THE PUBLIC FACILITIES

Yerba Buena Center is the name for the facilities to be located in the central blocks of the larger Yerba Buena Center Redevelopment area. The site will be redeveloped with both public and private facilities, and includes approximately twenty-five acres within the three blocks bounded by Third and Fourth Streets and Market, Mission, Howard and Folsom The public facilities will consist of the Exhibition Streets. Hall and Meeting Rooms, the Multi-Purpose Arena, a Parking Garage, the Central Concourse and a Central Heating and Cooling Plant for these facilities, all of which are proposed to be built by the City and County of San Francisco. will be furnished and fully equipped, complete and ready for The private facilities will include a hotel, operation. retail commercial space, an apparel mart, and commercial office buildings which will be built privately on real property leased from the San Francisco Redevelopment Agency.

Exhibition Hall and Meeting Rooms

The Exhibition Hall and Meeting Room facility will provide an integrated exhibition and convention complex totaling over 700,000 square feet gross area, including all services spaces. The main exhibition hall will contain 330,000 square feet of



clear space net, and will be over three stories high. The ceiling height of the hall to the underside of the structure will be 28 feet, the clearance to the lights and ducts will be about 33 feet and the height to the underside of the ceiling slab, 38 feet. The main space will contain only sixteen great column "trees" for structural support, plus smaller supports under Howard Street, all of which will provide flexible, clear span spaces with 120 foot x 150 foot bays. The main exhibition hall will have four movable walls to permit subdivision into sizes which will accommodate a variety of exhibitions, trade shows, conventions and assembly events. It will also accommodate banquets for up to 5,000 people.

Over 90% of all such events surveyed across the United States can be accommodated in this versatile facility.

Access from the street level into the meeting rooms and into each of the subdivisions of the main exhibition hall will be by way of public lobbies, which will total approximately 70,000 square feet in area. The meeting rooms will total approximately 80,000 square feet gross area, and vary in size from rooms for small groups to spaces which, when opened together, will accommodate 4,500 persons in assembly or 2,500 at banquets. In addition, approximately 45,000 square feet will be provided for snack bars, food preparation, service kitchens, bars and restaurants. Service for the facility will be by means of an underground roadway with access ramps,



loading docks, a fork lift roadway and minor service rooms, all of which total over 100,000 square feet. The building will have over 20,000 square feet of storage and a full complement of auxiliary spaces including press rooms, control rooms, offices, personnel facilities, restrooms, first-aid, mechanical and electrical rooms, exit ways, stairs, elevators and escalators.

Multi-Purpose Arena

The Arena will rival the best in the world and, in size, will equal any of those in the western United States. Fixed seating will provide for 14,500 persons and, depending upon the nature of the event, movable grandstands and portable seating will complete the form of the main arena space to provide, for example, seating for 16,000 for ice hockey and 17,500 for basketball. For assembly events, various sections of the main arena space will be utilized to serve groups ranging in size from 5,000 to a total capacity of 19,500 persons.

The total area of the Arena will be approximately 390,000 square feet gross. The main arena space will be about 140,000 square feet in total floor area and will be eight stories high. Lobby areas will total another 130,000 square feet, and the facility will be complete with team and entertainers' dressing rooms, box offices, snack bars, press facilities, control rooms, offices and a similar range of auxiliary spaces as are listed above for the Exhibition Hall and Meeting Room complex.



Parking Garage

Providing parking for almost 1,850 cars, the two floors of the underground Parking Garage will total over 776,000 square feet in gross area, including the ramps and service spaces. In addition to four access ramps from the street, service access will be provided from the Exhibition Hall Service Level. Both elevators and escalators will provide pedestrian access from the garage floors to both levels of the Central Concourse above. The Garage will be fully ventilated, and will be complete with all personnel, equipment and mechanical-electrical support spaces. The ceiling of the upper parking level will also serve as the location for distribution of the mechanical and electrical service systems, which will supply the main Exhibition Hall above and will provide a flexibility of access for relocation, set-up and maintenance.

Central Concourse

The Central Concourse will integrate and unify each of the public and private facilities into a functionally and visually cohesive development. The central pedestrian space will be located mid-block between Third and Fourth Streets and will extend from Market Street over Mission and Howard Streets by means of pedestrian bridges. It will be the largest space of its kind in America. Over 1,800 feet in length and 200 feet in average width, it will be twice as wide as the Golden Gate Bridge and half as long as the main span. As the areas along



the Central Concourse vary in function and activity, the landscape and facilities which will be provided also vary. The north block will serve as a transition and breakthrough from Market Street, and it will include extensive landscaping, various paving treatments and a park surrounding St. Patrick's Church. The central block will contain a great urban plaza of 300 x 200 feet, as large as two football fields, and will be complete with shops and other amenities. The bridge over Howard Street will overlook the extensive arrival and entry spaces for the Arena and the Exhibition Hall, and will be covered by a street-spanning glass canopy for weather protection. The south block will contain multi-level plaza and court spaces opening into the Arena and the Meeting Rooms.



B. THE MASTER PLAN FOR YERBA BUENA CENTER

The Master Plan Design Objectives

The Master Plan reflects a series of objectives which were formulated by the City, the Redevelopment Agency and the design team. The most significant programmatic requirements and objectives for the design solution may be summarized as follows:

- The Yerba Buena Center must provide the highest level of urban environment with a variety of activities and amenities to appeal to both San Francisco residents and its visitors;
- The central blocks development should provide a sense of "place," an identifiable happening in the fabric of the City and yet, still maintain a strong connection with surrounding activities so as not to form an isolated island;
- The plan should take advantage of the benefits gained from the site's excellent location on the edge of downtown, within two blocks of the Union Square shopping and hotel districts and adjacent to the financial district;
- The facilities should reflect the unique transportation service including a special Bay Area Rapid Transit entry, municipal public transit, a high capacity street network and freeway access to most of the communities in the Bay Area;



- Activities should be grouped to reinforce one another with public-attracting functions being located to create lively and interesting pedestrian activity routes;
- The plan must respond to both the demands imposed by pedestrian circulation, which approaches the site by sidewalks and from transportation stops, and also the demands of traffic patterns and traffic density in the surrounding streets;
- The many parts of both the Exhibition Hall and Meeting Room facility and the Multi-Purpose Arena must be able to function as a single entity for large exhibitions and conventions, yet the major parts must be able to operate independently;
- The Master Plan should permit staged development, and permit minor changes in program as it evolves.

The Master Plan design reflects two strong hierarchies, one horizontal and the other vertical. The first reflects the change in character of San Francisco at the northern Market Street edge as contrasted to the southern industrial interface. Activities which relate more to the retail commercial district and to the downtown workers' daily patterns are oriented toward the northern edge. Activities which are less central to daily life styles, or which are more visitor-oriented are located toward the south. The second hierarchy



is a vertical zoning which relates activities according to the degree of their public attraction and interest. The street level and first level above the street are deemed most important for their impact upon the City, and are most accessible for pedestrian access. High priority is given for keeping these levels active, while less public functions are located above or below these levels.

Another significant factor is the highly complex linkage of communication systems within the site. The Exhibition Hall and Meeting Room facility requires internal, controlled access between most of its elements, yet free access to each. The service requirements for large vans, trucks and trailers for the exhibition space, and the service requirements for above-ground functions demands a close coordination and a linkage of horizontal truck access with vertical elevator access. Similarly the need for coordinated construction sequences and the servicing of public and private functions at and above ground requires a three dimensional matrix to coordinate communication, service and utilities rights-of way.

The public is always the most important factor with planning and a premium is placed on a design solution which will encourage people to move from sidewalks, BART, buses, taxis,



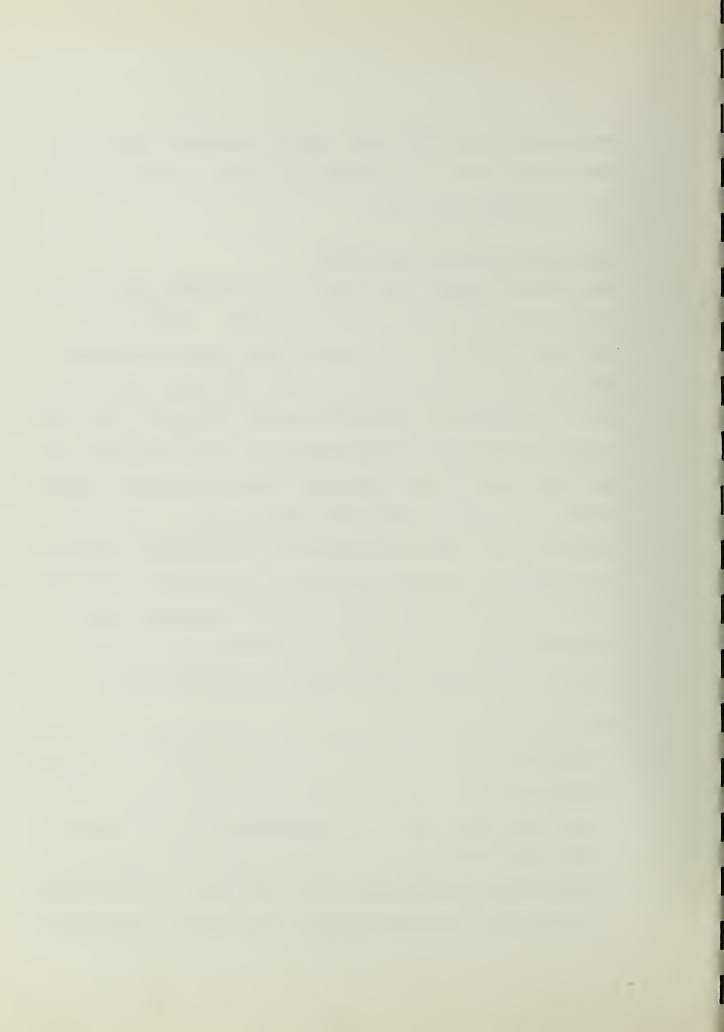
and garages, and pedestrian activity corridors that will insure a high level of environment in terms of activity, variety, excitement and safety.

The Master Plan Design Solution

The completed Master Plan creates the framework for an exciting new activity center for San Francisco. Unique in its inner-city location, Yerba Buena Center provides an unusual grouping of activities for the City's residents and its visitors. The pedestrian-oriented Central Concourse is the focus of the plan, and most of the activities are accessible from this broad multi-level pedestrian way which begins at Market Street and proceed through the entire center to the Arena entrance. The resulting interaction of pedestrian movement with building enclosures provides an alternative to crowded street-side sidewalks with their vehicle-congested intersections. The Central Concourse promises to be one of the largest and most active urban open spaces in America.

Some of the specific achievements of the plan are as follows:

• The Central Concourse begins at Market Street and proceeds for three blocks as a multi-level pedestrian space accessible both from street intersections and at the center of the blocks. The overall downward slope of the land from Market Street permits the pedestrian mall at Market Street to link with a pedestrian bridge over Mission and Howard



Streets above the traffic, forming a Mezzanine Level. The lower concourse level is visible and accessible from each street level as well as from the Mezzanine Level above.

(See Section MP-10 and Plans MP-4, 5 and 6.)

- The Exhibition Hall and its related facilities are too large to fit within one block, and therefore occupy a large portion of the central and south blocks. Located underground in order to cross uninterrupted under Howard Street, the Exhibition Hall provides a large and flexible exhibition space. The main hall is all on one level which is a mandatory requirement of the program. The street level lobby entrances to the Exhibition Hall are on either side of Howard Street, and are identified by a skylight canopy which forms a sheltered entrance-gateway for arrivals. (See Model photographs and Perspective.)
- The Multi-Purpose Arena interlocks with the Exhibition Hall and Meeting Rooms, and can be operated as an integral part of the Exhibition Hall and Meeting Room complex or as an independent facility. The floor of the Arena opens directly into the lower lobby of the Exhibition Hall, which provides direct connection between the Arena and the exhibition complex. This relationship permits the Arena floor to be used as high-ceilinged supplementary exhibit space, and it also provides direct access to the Exhibition Hall when



the Arena is used as a convention assembly space. In addition, the Arena has its own independent access from the street level on Howard Street and a major entrance at the Mezzanine Level of the central pedestrian concourse.

(See Section MP-9.)

- Service to the Exhibition Hall is underground beneath the Exhibition Hall lobby, with trucking docks, loading, service and garbage area all out of sight and sound. (See Plan MP-2 and Sections MP-8 and 9.)
- Parking access is away from the pedestrian core, and is accessible from Fourth, Howard and Folsom Streets. The four entrances serve the two parking levels which are located below the Exhibition Hall. Pedestrian access to and from the Garage will be by both elevators and escalators which will open onto the Central Concourse. (See Sections MP-8 and 9.)
- Center private facilities. The private facilities in the north block include the retention of Saint Patrick's Church which will be emphasized by a new public park setting. In this same block will be three new commercial office buildings and sites for a theater and a downtown airlines terminal. The latter two components are future elements in the program, and may be public or private development. In the central block the private facilities

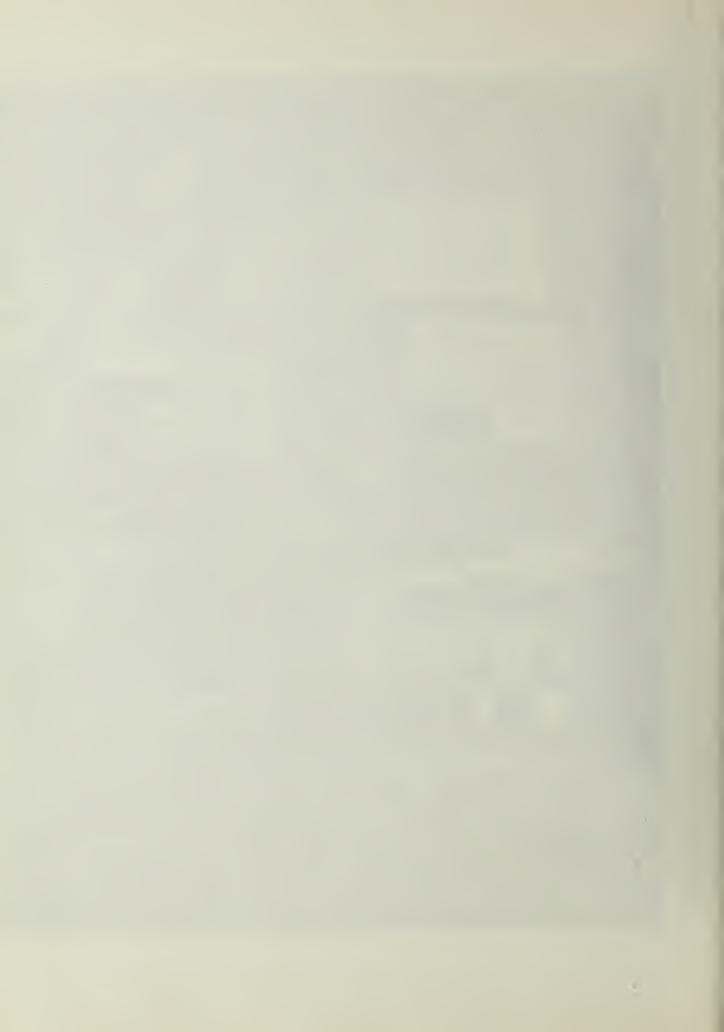


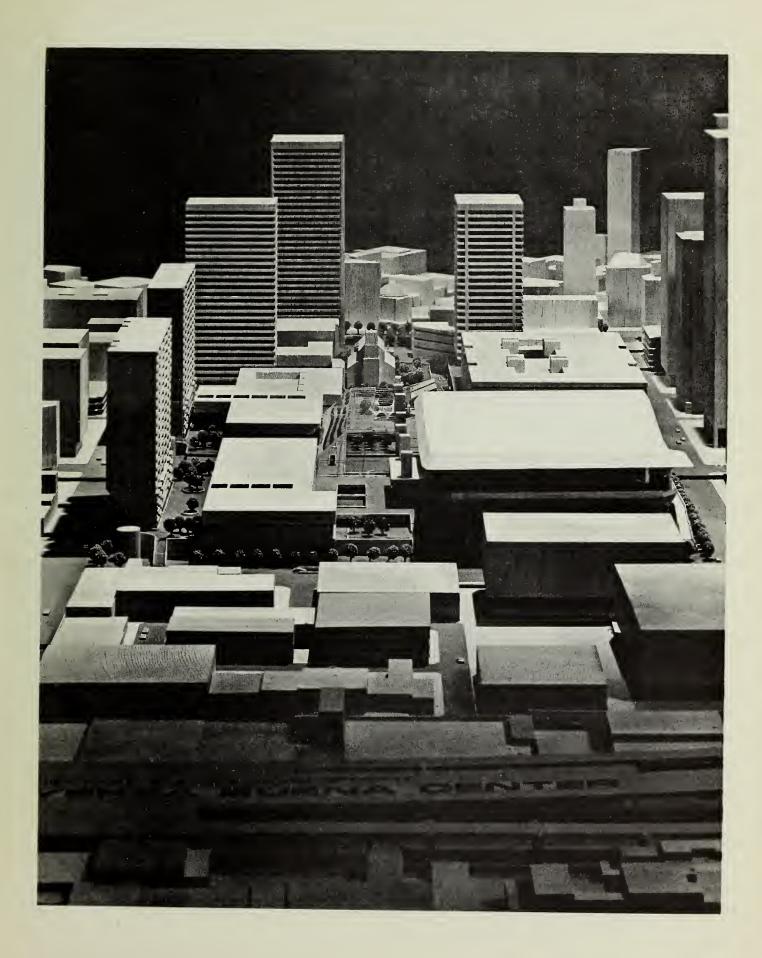
include a hotel, an apparel mart and retail commercial space, with the more public oriented portions of these facilities adjacent to the Central Concourse. The south block provides one site for a private office building at Fourth Street. The private development of these facilities will be administered by the Redevelopment Agency, which will employ design and development controls to insure a high quality solution and adherence to the Yerba Buena Center Master Plan. (See Model Photos and Plans MP-4, 5 and 6.)

The Master Plan is more than a land-use plan, for it sets forth both functional and visual objectives to coordinate all development. Because of the need for maintaining the primary street and traffic patterns, and due to the large size and mandatory relationships between some of the components of the public facilities, more detailed physical design has been completed than is usual for the master planning phase of a project.



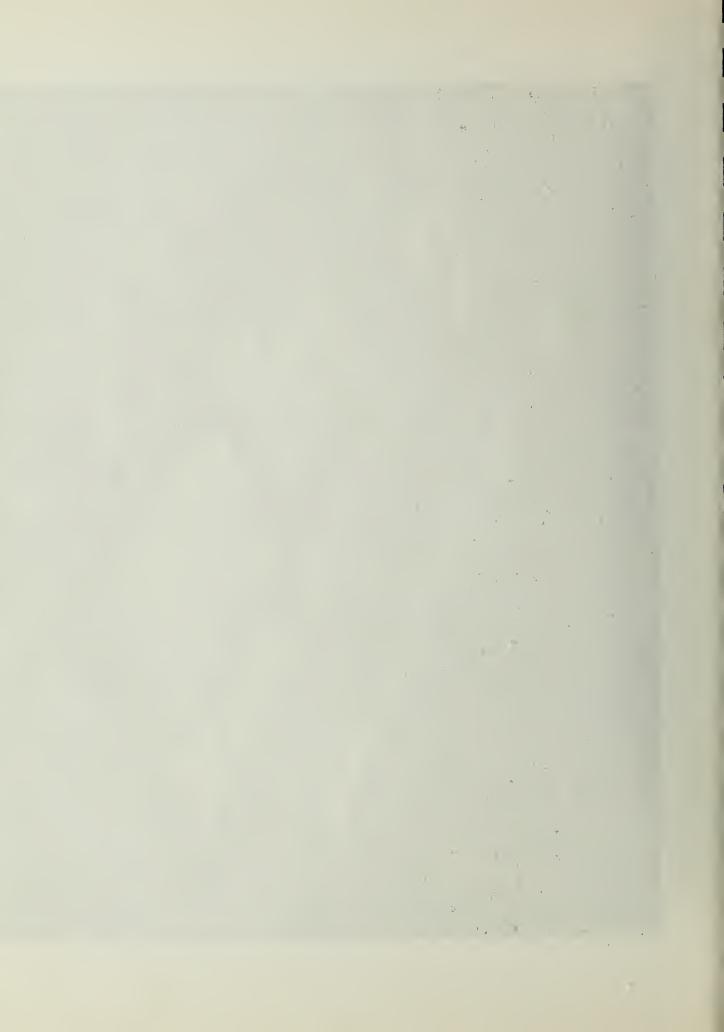


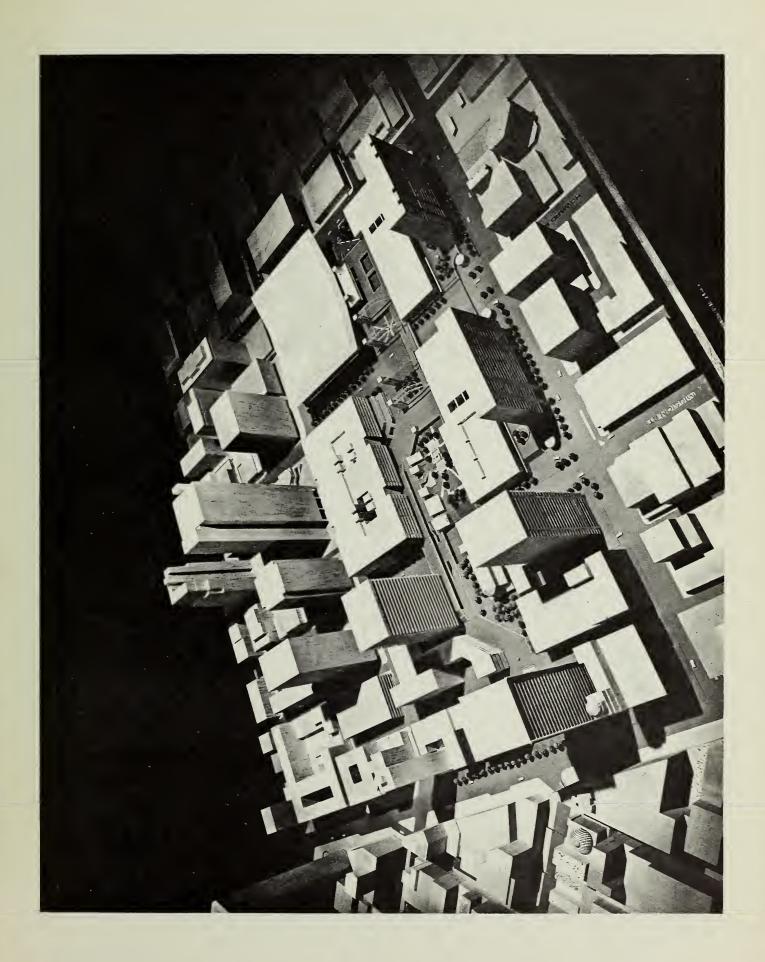


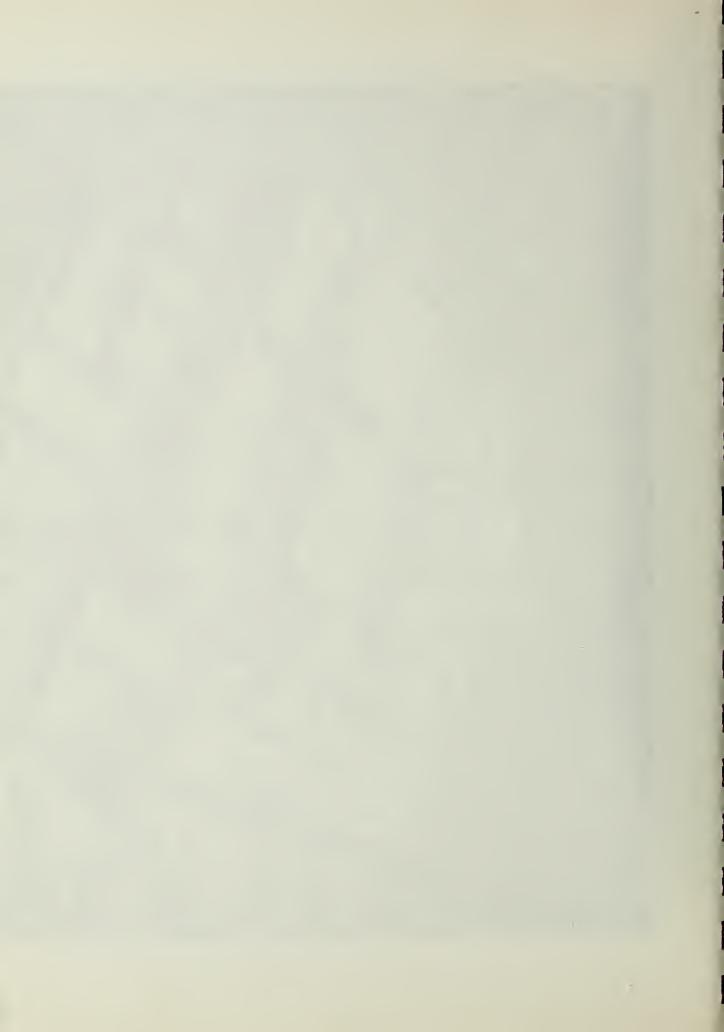


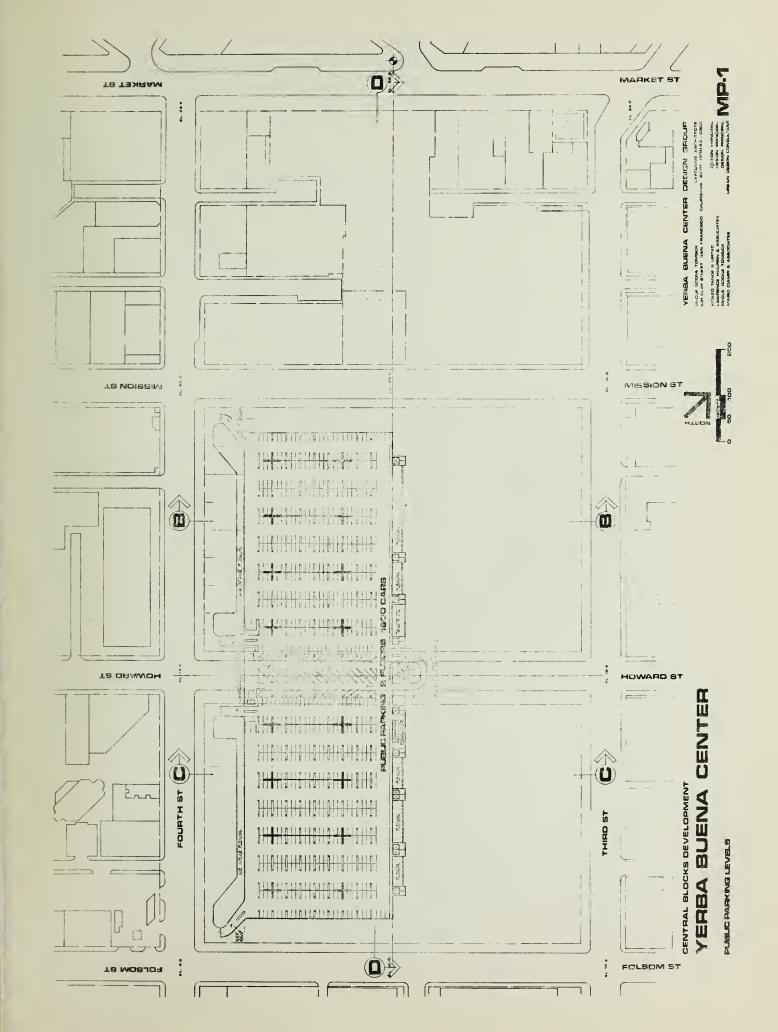




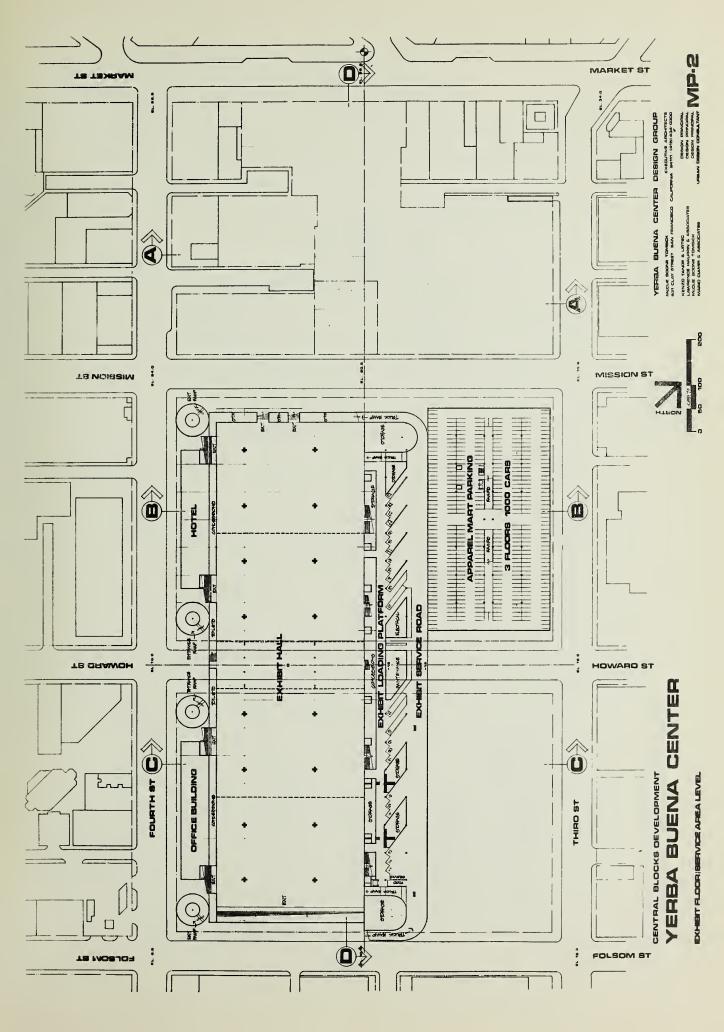




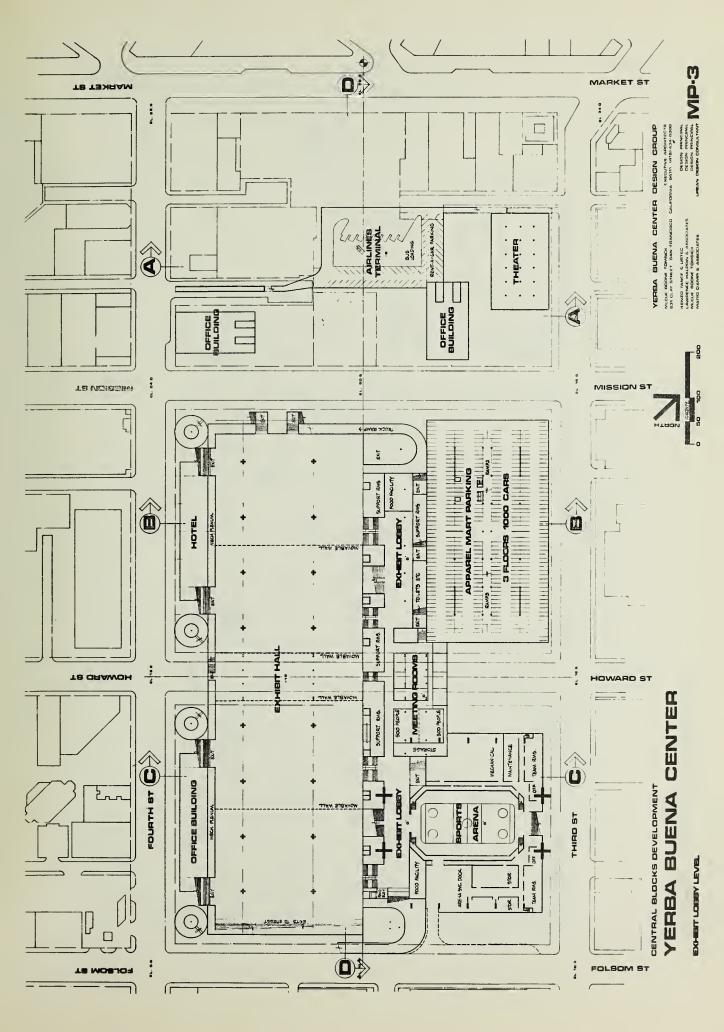




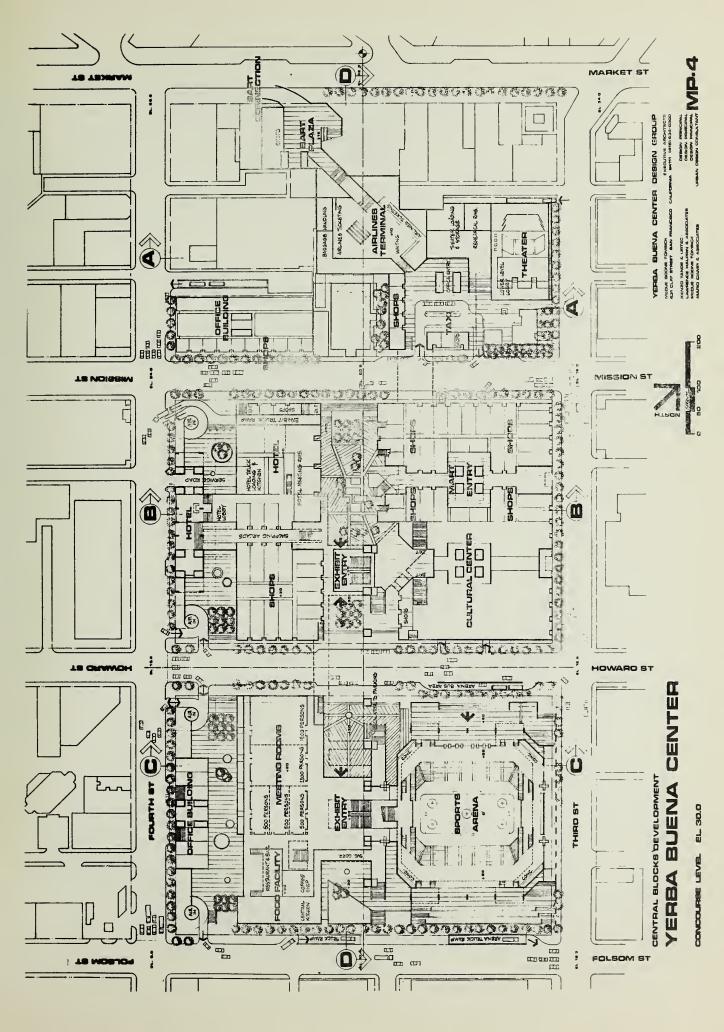


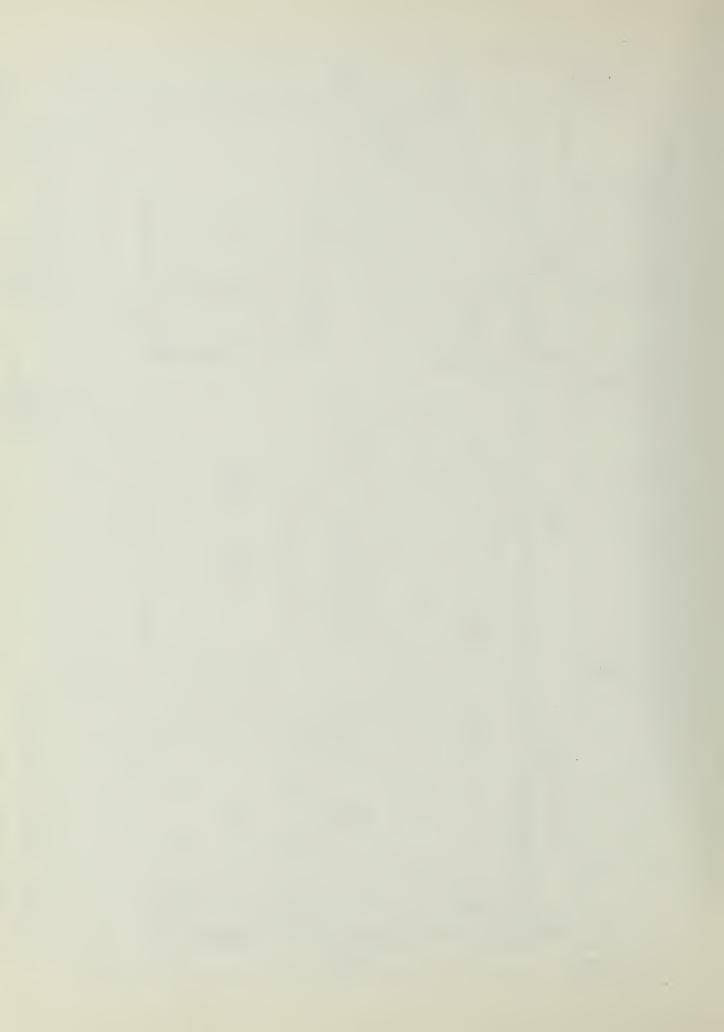


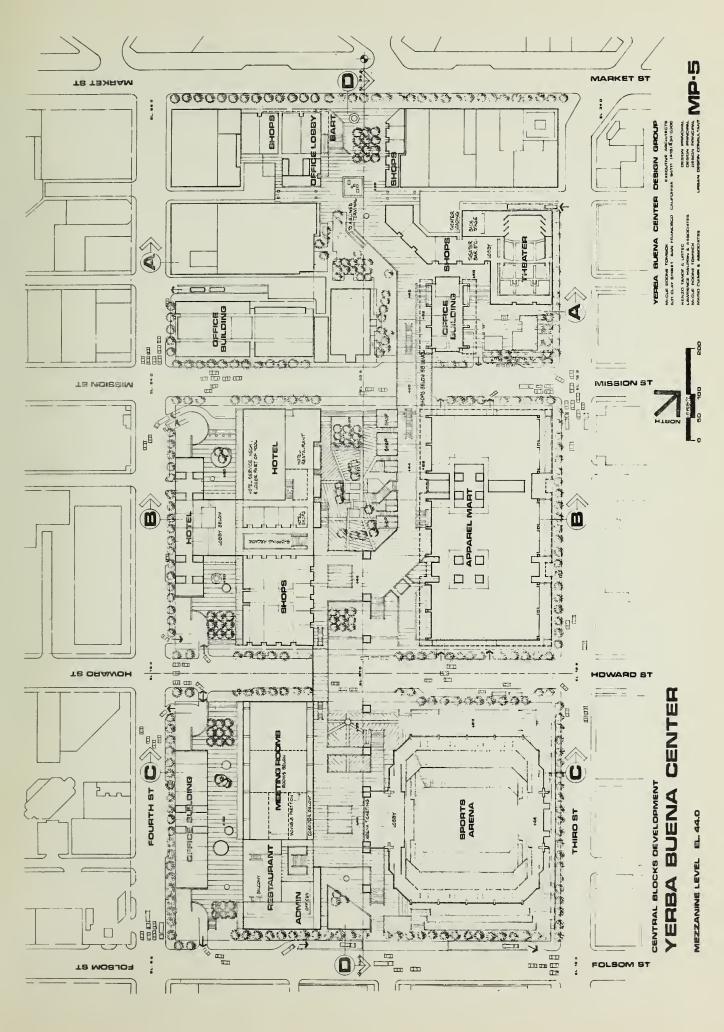


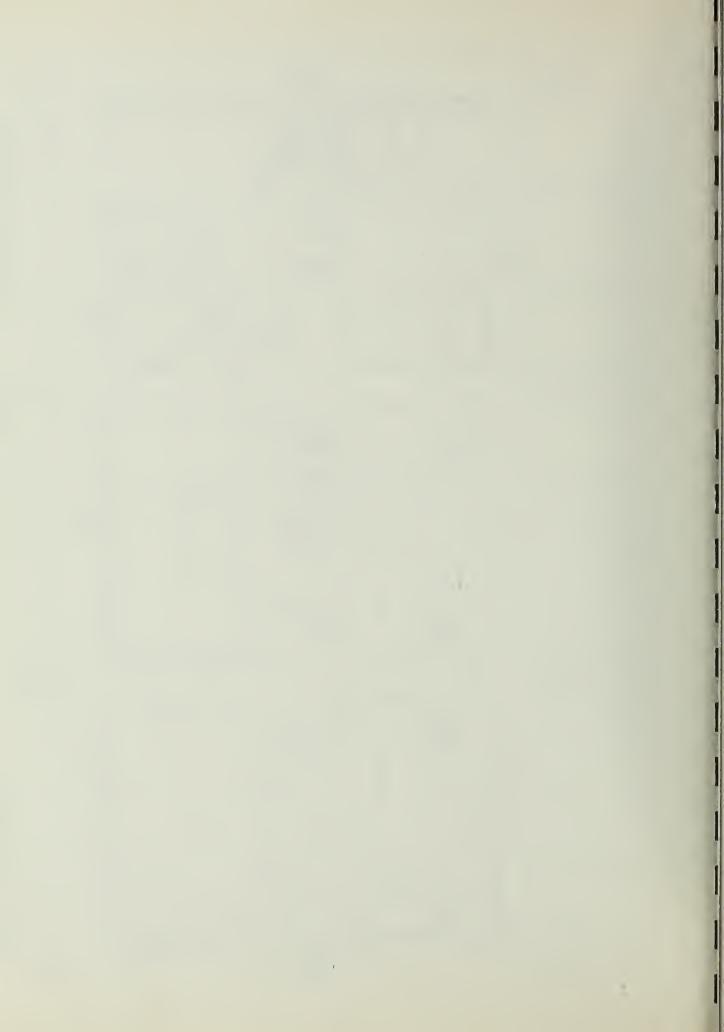


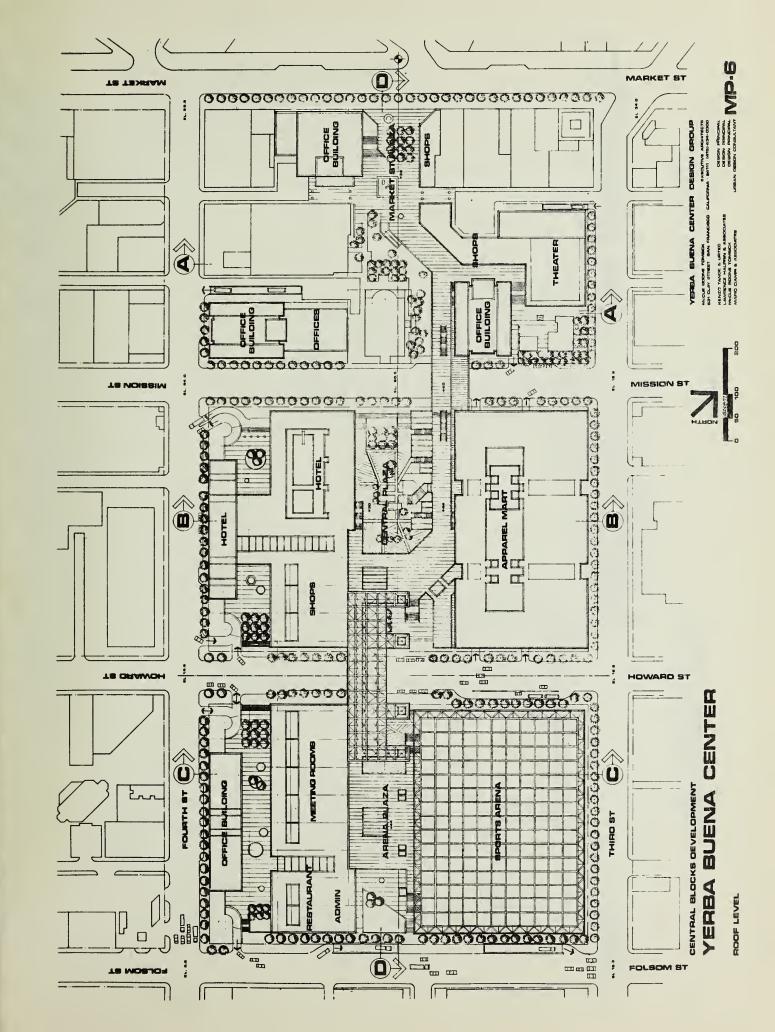


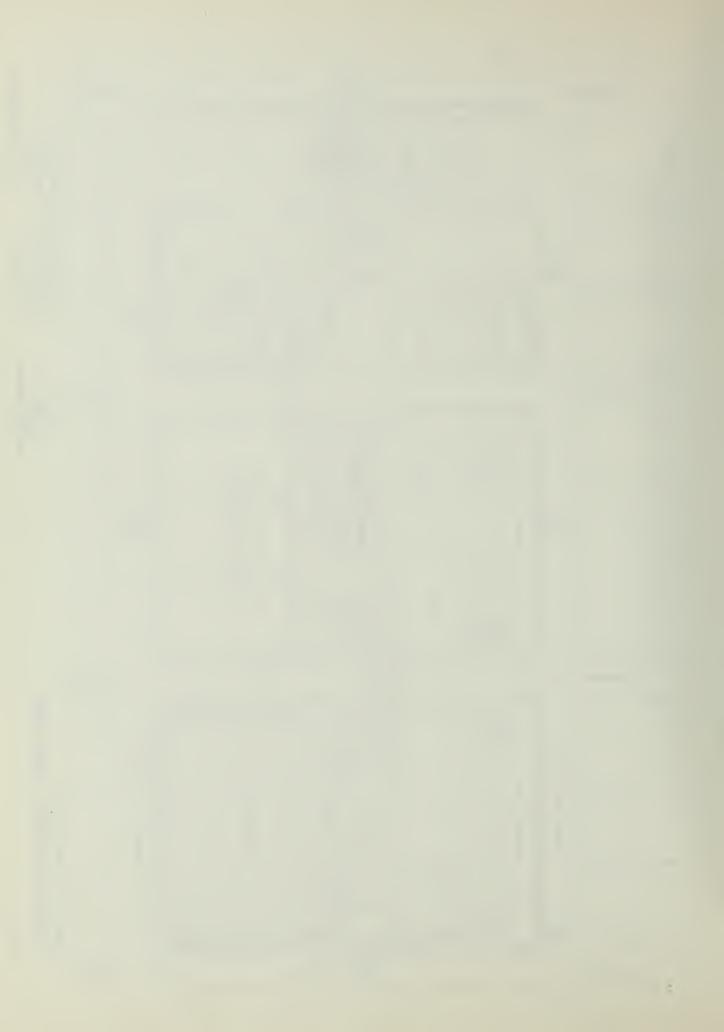


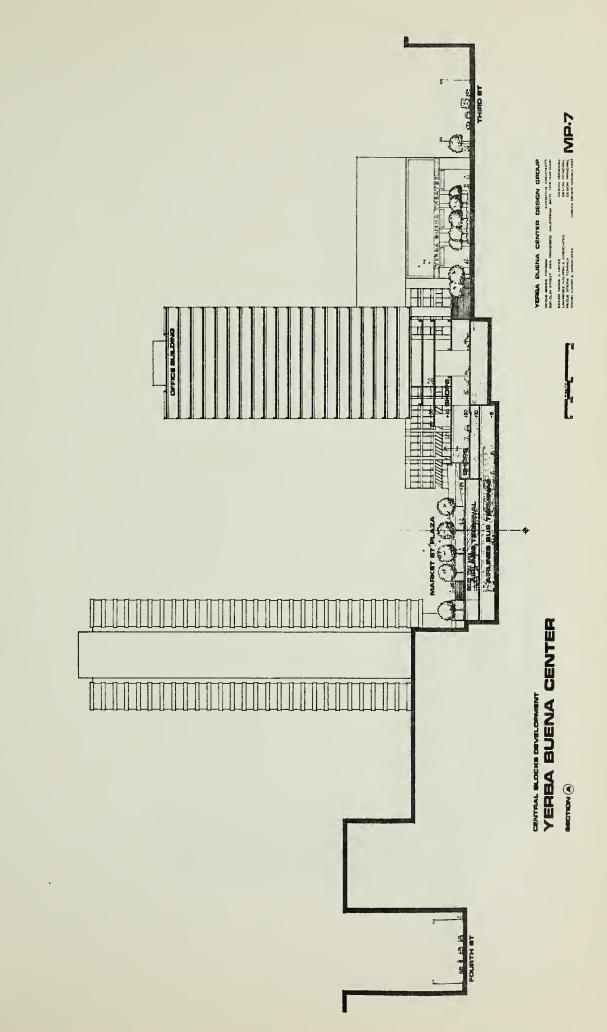




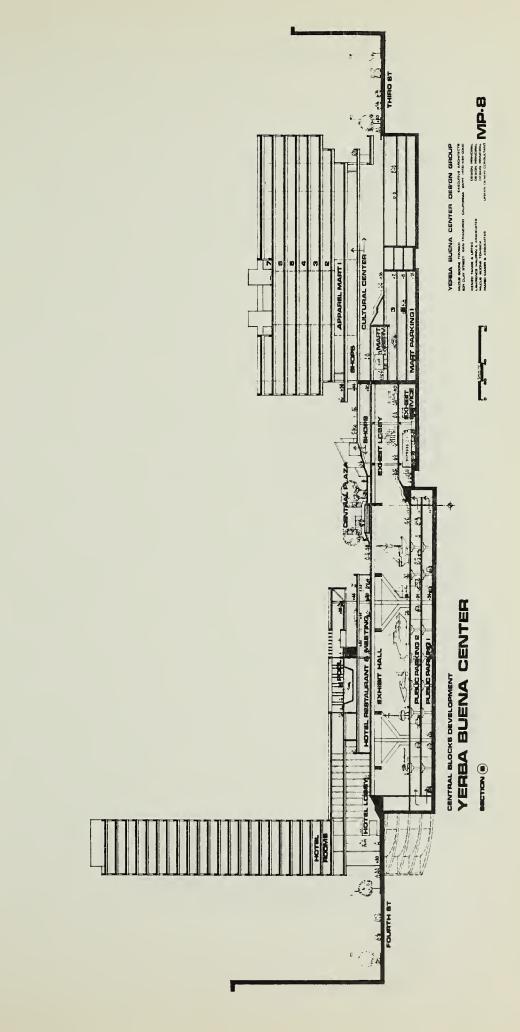




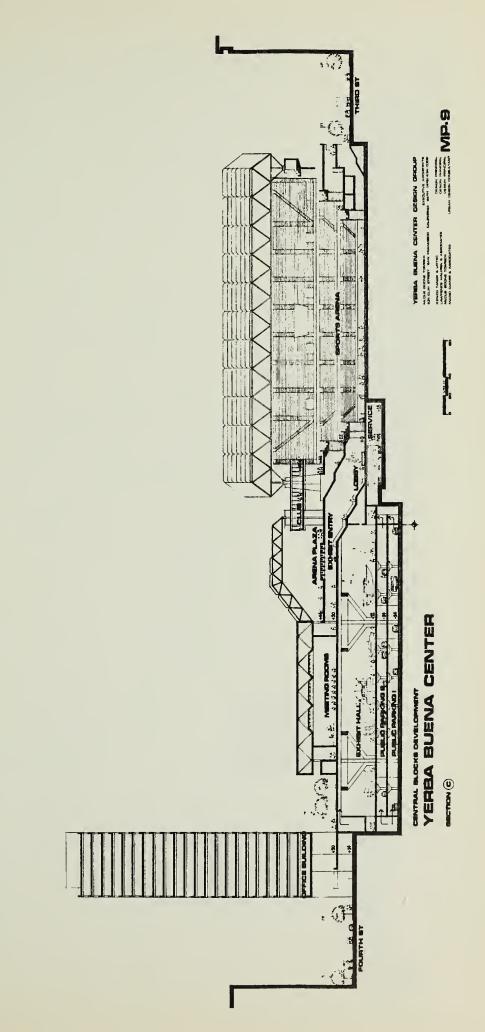


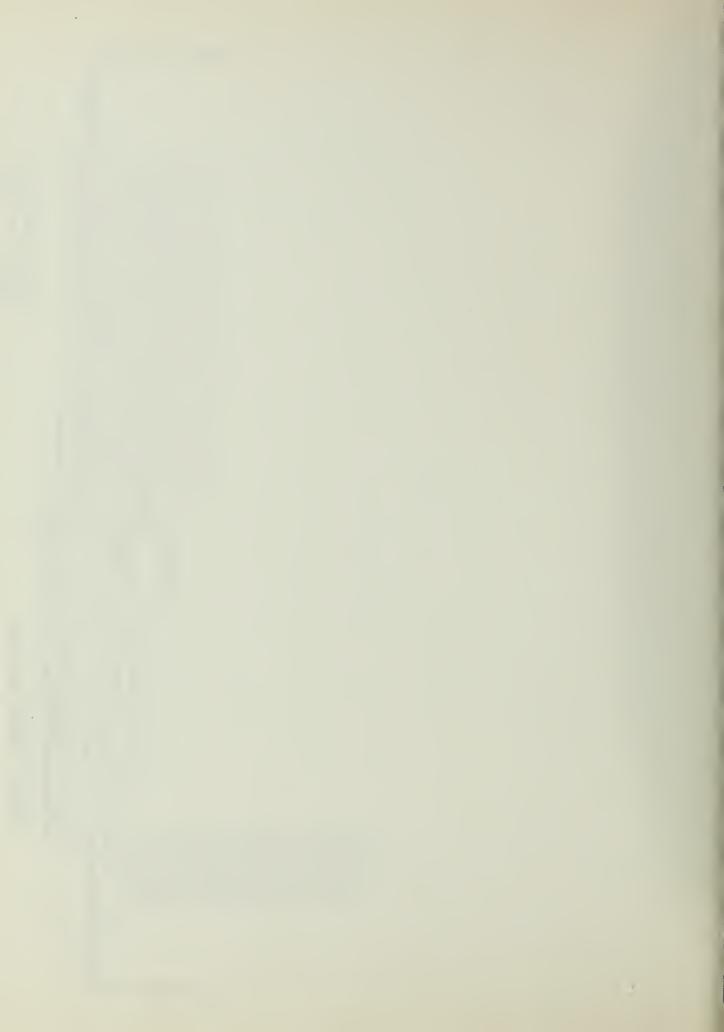


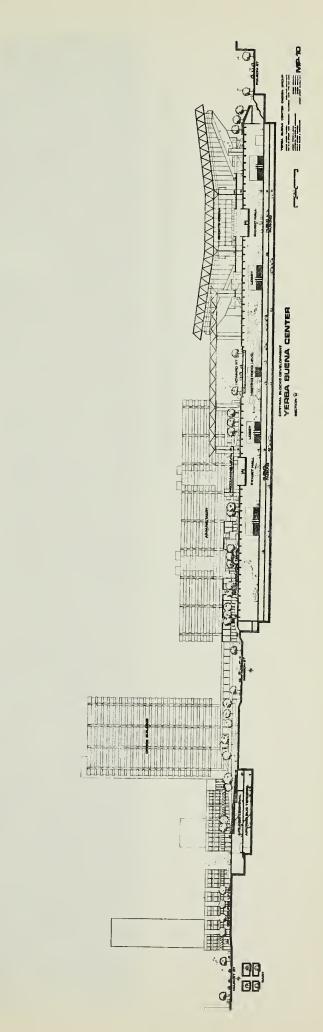




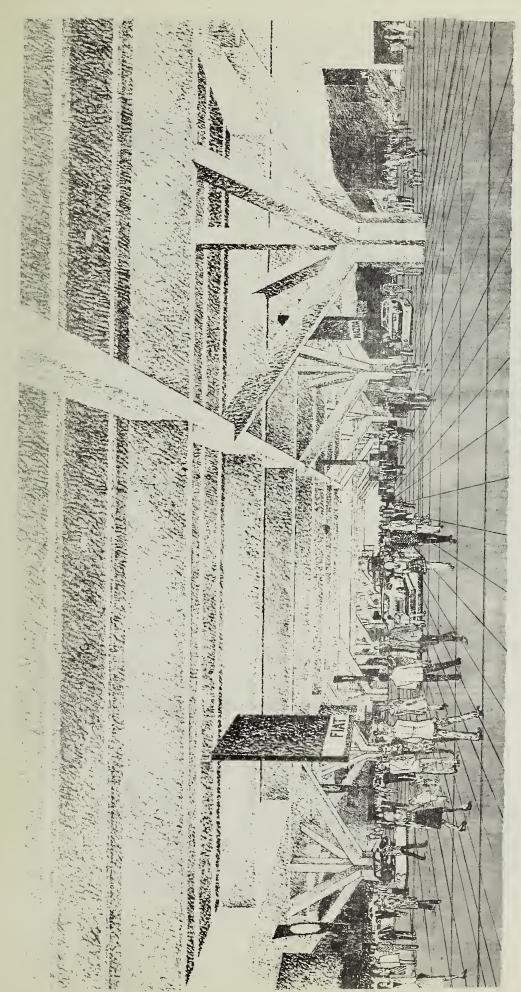






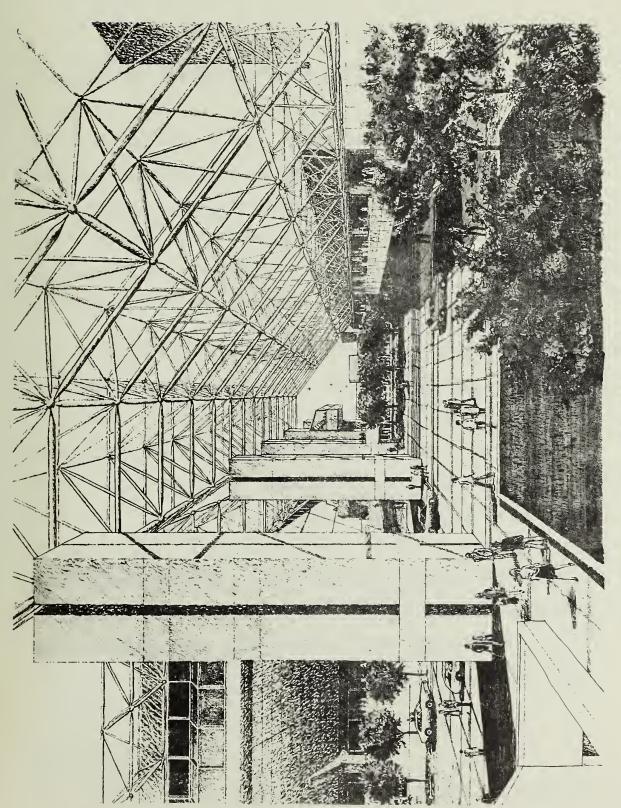




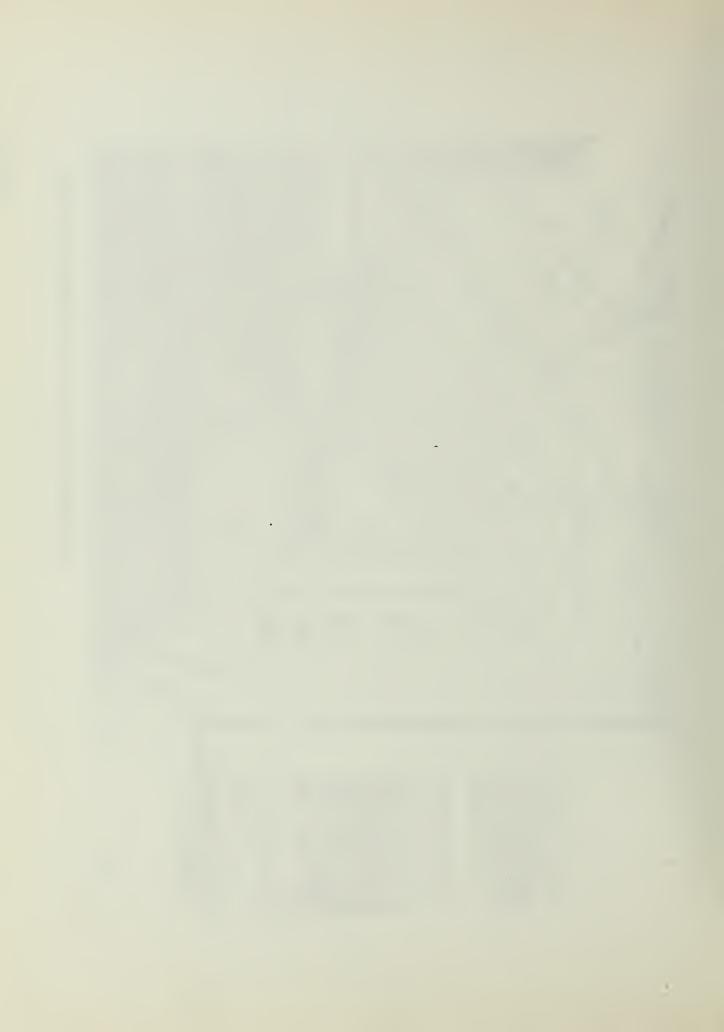


INTERIOR OF EXHIBITION HALL





ARENA PLAZA & EXHIBIT ENTRY



C. THE TIME SCHEDULE FOR THE PUBLIC FACILITIES

The Critical Path Method, which is being used to schedule the Public Facilities, is the most advanced technique known for time control of building projects. Utilized by NASA for the space program, this computerized technique provides a method for analyzing, coordinating and monitoring the time required to deliver a large and complex development program.

The current "Master Schedule" shows the work of the City, the Architects and Engineers, and the many specialized consultants, as well as construction-bidding, construction and equipping.

The "Master Schedule" consists of several parts: a "Bar Chart" schedule, which identifies the basic phases, allocates the scope of work for the phases and the time relationships between them; the "Logic Network," which is used to analyze each phase in detail, sets forth the sequence of decisions and the relationships of activities; and the "Computer Run," which itemizes the work efforts to be completed for each check period, provides the basis for monitoring the work efforts.

Controlling Factors

The time required to complete the Public Facilities has been reduced to the maximum extent feasible within the controls set



by the requirements for the bidding of public work. Each separate phase and each construction contract has been planned to overlap the other, with a large number of work efforts planned to be performed concurrently.

Analysis of the means for providing the most rapid delivery with reasonable cost indicated that it would be advantageous to build the public facilities by several different construction contracts as follows:

Contract Group I: Sewer and Utility Relocation;

Contract Group II: Underground Garage and Partial Exhibi-

tion Hall Work;

Contract Group III: Exhibition Hall and Meeting Rooms and

Related Public Open Spaces;

Contract Group IV: Central Heating and Cooling Plant;

Contract Group V: Arena and Related Public Open Spaces.

The phasing of the project in this manner requires careful coordination, but permits a logical sequence of construction processes, and results in the delivery of the Exhibition Hall and Meeting Room facility more than one year earlier and at less cost than if all of the public facilities were built under one construction contract.

Critical Sequence

Given the controls outlined above, the critical sequence of work to provide the earliest possible date for completion is

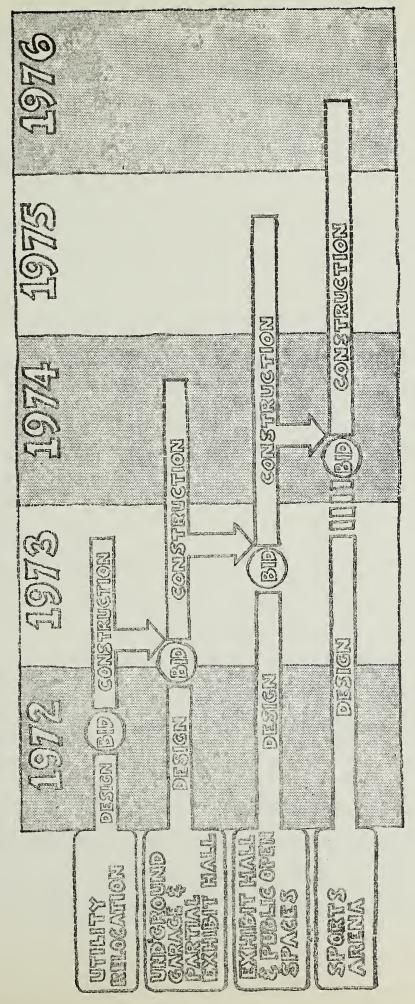


the following order of events:

- Completion of design and bid documents, bidding and award
 of construction contracts for Contract Group I, the Sewer
 and Utility Relocation in Howard Street, and completion of
 the demolition of the buildings in the path of the Utilities
 Relocation;
- Completion of design and bid documents, bidding and award of construction contracts for Contract Group II, the Underground Garage and Partial Exhibition Hall Work, and the partial completion of construction of Contract Group I to a point which permits excavation and construction in the Howard Street area on schedule, under Contract Group II;
- Bidding and award of the construction contracts for Contract Group III, the Exhibition Hall and Meeting Rooms, and Group IV, the Central Heating and Cooling Plant, at the date that construction of the Exhibition Hall can begin on top of the partially completed Garage;
- Award of the construction contract for Contract Group V, the Arena, as soon as the work of Contract Group III, which is located under the Arena, has been completed and the Arena site is available.

A diagram which illustrates the time for the sequence of events is on the next page.







D. THE CONSTRUCTION ESTIMATE FOR THE PUBLIC FACILITIES

The estimating, which has established the construction budget for the Yerba Buena Center Public Facilities, has been more detailed than is usual for this stage of development. The degree of definition provided by the Master Plan, extensive programming research and the fact that the Schematic Design Phase is complete for Contract Groups I and II and half-complete for Contract Groups III, IV, and V, have all provided the base for more detailed cost projections than are normally feasible early in a project.

Controlling Factors

The schedule and budget analysis of the Public Facilities resulted in the division of the project into several Contract Groups. Not only will this separation result in a shorter overall development time, but will result in construction contracts of a size which will attract better competitive bidding and increased opportunity for participation by local contractors.

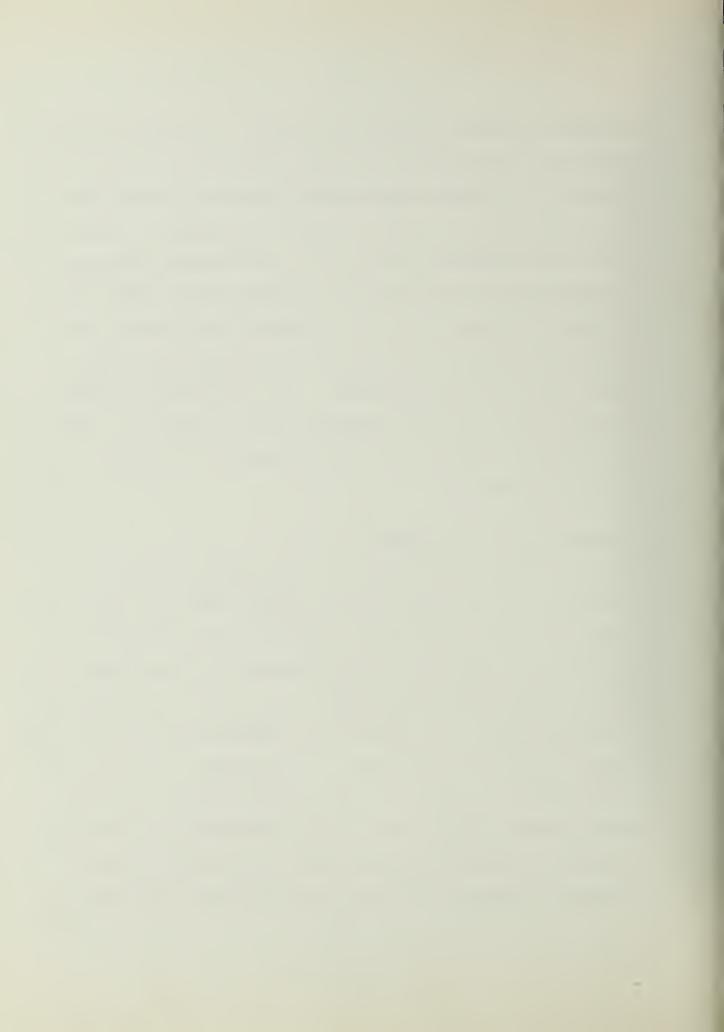
A detailed quantity survey of materials and labor costs has been completed based upon the current program and design. Where designs have not been started, those portions of the estimates have been based upon corresponding aspects of



similar facilities in the United States. In these instances costs have been adjusted to reflect variations in local construction cost indices and modified to account for the rate of annual inflation since the point of beginning of construction of the comparable facility to the scheduled beginning of construction of that particular component of the Yerba Buena Center public facilities. The estimate also includes a contingency to provide for aspects of the program and design which have not yet been defined. The construction estimate includes costs for labor, materials, and contractors' profits and operating costs, as well as allowances for minority training programs.

Inflation and Cost Indices

Careful attention has been paid to the problem of inflation. Estimates are based upon the now current market and cost conditions, and then each separate construction Contract Group is modified to include the projected additional expense due to rising costs until the date when the start of construction is scheduled. Rates of inflation for construction have fluctuated greatly in the past five years, ranging from a low of 3/4% to a high of 17%. In the next few years the effects of wage-price controls are expected to hold inflation within the construction industry to 10% per year, and the construction estimate includes an allowance for this annual increase.



Similarly, the differences in local labor rates and the difference in construction efficiency have been closely evaluated when comparing the costs for facilities built in other areas or located on sites with differing density of development, or different delivery, access, staging areas, or other condition which would affect comparative construction costs.

Summary of Estimated Construction Costs

A summary of the estimated construction costs for each of the component parts of the public facilities, including furnishings and equipment, is as follows:

Utility Relocation	\$ 5.569 millions
Parking Garage	\$21.429 millions
Exhibition Hall and Meeting Rooms	\$63.596 millions
Central Heating and Cooling Plant	\$ 2.417 millions
Multi-Purpose Arena	\$37.908 millions
Central Concourse	\$11.046 millions

These costs include a total of \$19.789 millions for escalation and a 5% contingency of \$6.760 millions for a total construction budget of \$141,965,000.

As described in section C., Time Schedule, the construction contracts will be bid in groups which best expedite the progress of the work and which do not precisely match the component listing above. The construction budget including the design and program contingency and escalation allowance, when



allocated into the proposed construction groups, is as follows:

Contract Group I: Utilities Relocation - \$5.569 millions;

Contract Group II: Underground Garage and Partial Exhibi-

tion Hall Work - \$32.654 millions;

Contract Group III: Exhibition Hall and Meeting Rooms and

Related Public Open Spaces - \$62.466

millions;

Contract Group IV: Central Heating and Cooling Plant -

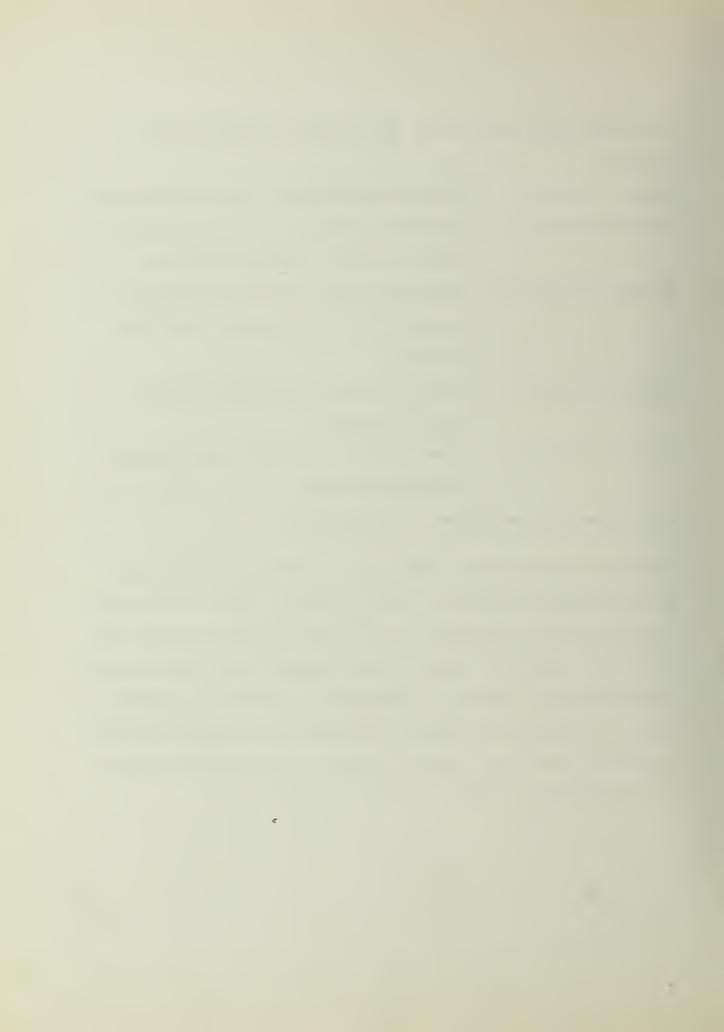
\$2.417 millions;

Contract Group V: Arena and Related Public Open Spaces -

\$38.859 millions;

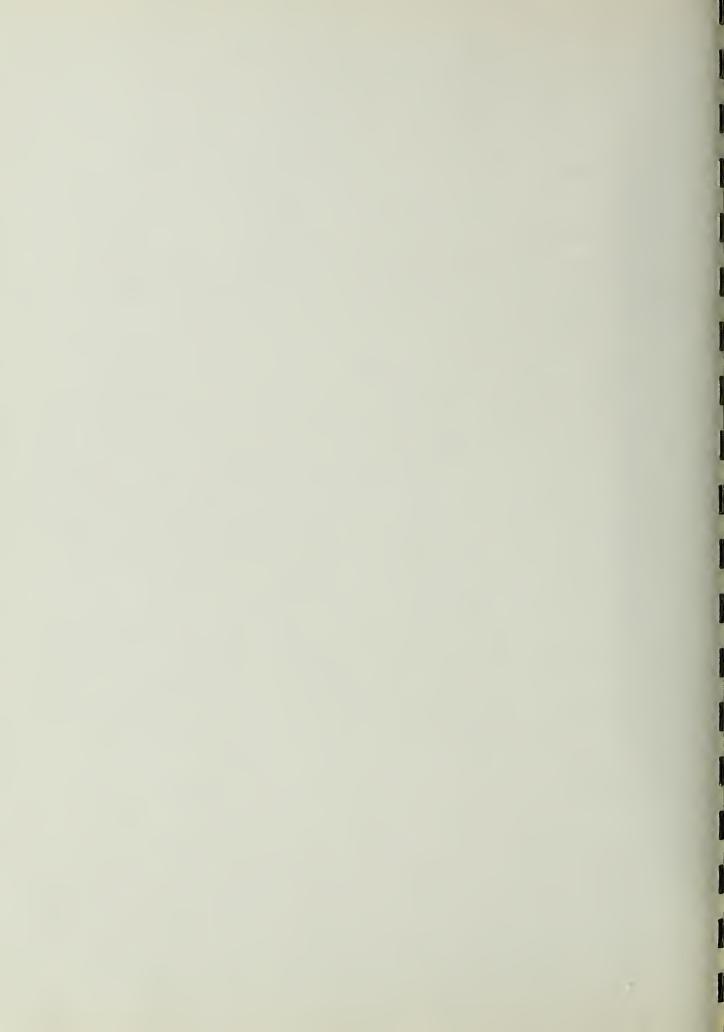
Total Construction Budget - \$141,965,000.

The Construction Budget represents a conservative estimate of the projected amount of the low bid for each of the above Contract Groups estimated for the date of award of each contract as scheduled. Other related expenses for architectural and engineering services, construction inspection, surveys, soils investigation and the construction contingency are all included in the Total Project Budget, but are separate from the Construction Budget estimates outlined above.





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A. SUMMARY

This program provides a general framework for the financing of the Yerba Buena Center public facilities. Major elements offered for consideration are:

Section B

The Public Facilities to be financed include the Exhibition Hall, Meeting Rooms, Multi-Purpose Arena, Central Concourse, and Parking Garage.

Section C

The <u>Financing Arrangements</u> include a Financing Agreement between the City and the Agency, the issuance of Redevelopment Agency lease revenue bonds, the construction of the public facilities under City supervision, and the lease of the completed project, including land, to the City by the Agency at an annual rental sufficient to amortize the bonds.

Section D

A total <u>Construction Cost</u>, carefully estimated and closely monitored, estimated at \$141.965 million.



Section E

Other Development Costs, including land, architecture engineering, and funded interest, estimated at approximately \$77.4 million.

Section F

A total <u>Bond Issue</u> estimated to range in size from \$196.6 to \$210.4 million although a total authorization of \$225 million and a maximum 7 percent interest rate will be requested.

Section G

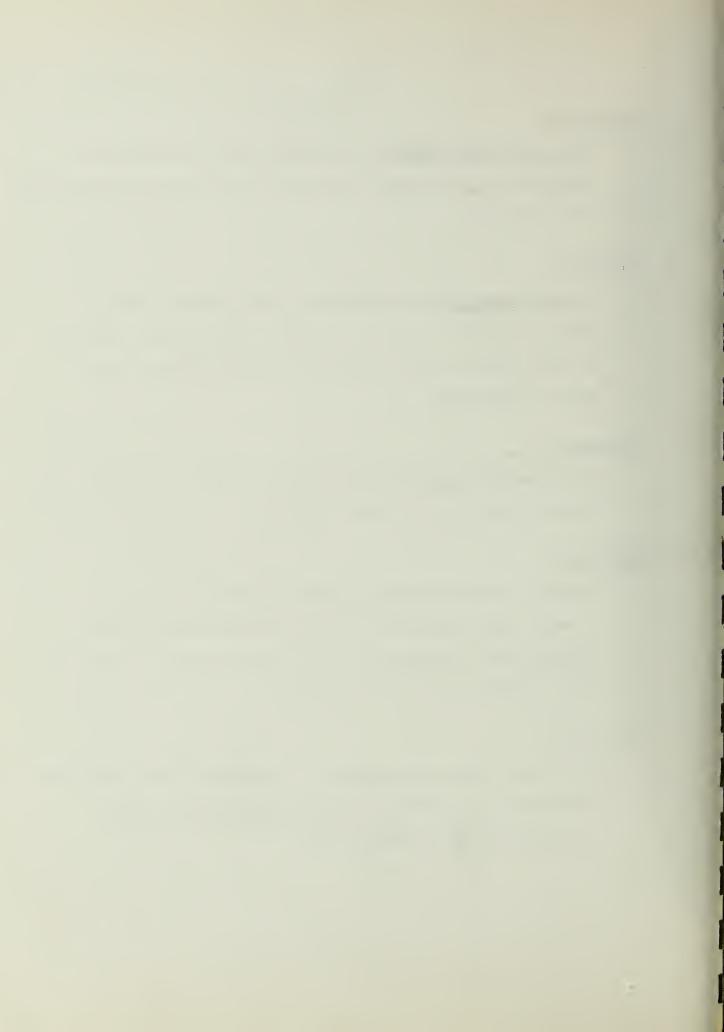
An estimated <u>Annual Debt Service</u> requirement ranging in size from \$12.5 to \$16.7 million.

Section H

By 1976 estimated <u>Direct Income</u> available each year to make lease payments of \$12.8 million and <u>Indirect Income</u> generated annually by the construction of the public facilities of \$5.6 million.

Section I

An average <u>Annual Debt Service</u> estimated at \$14.5 million contrasted with combined <u>Direct and Indirect Income</u> in excess of \$18 million (1976).



Section J

Non-Cash Grants-In-Aid benefits resulting from the construction of the public facilities of \$48.9 million.

Section K

The Financing Program is based upon a series of economic, marketing, and feasibility Studies prepared over a period of years.



B. FACILITIES TO BE FINANCED

The public facilities to be financed as a part of this Financing Program include:

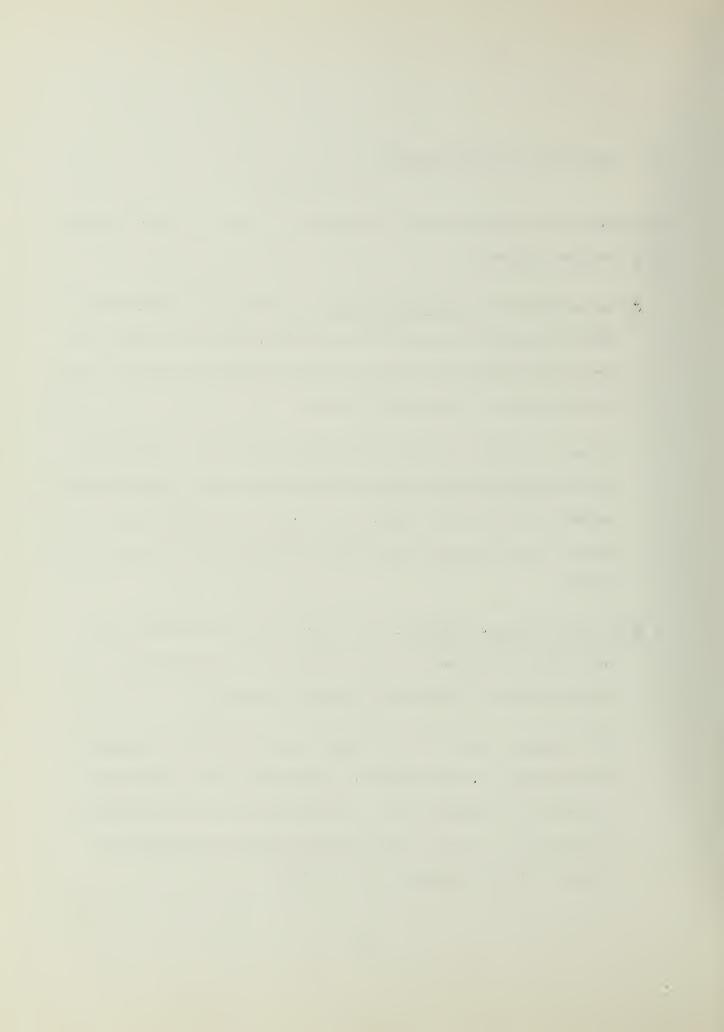
An underground Exhibition Hall providing a minimum of 330,000 square feet of net rentable area in addition to necessary accessory spaces such as lobbies, service areas, loading docks, and access roads.

Closely connected to the Exhibition Hall is a sophisticated Meeting Room Complex with audio-visual and banquet capability in twelve separate rooms of varying size.

Nearly 80,000 gross square feet of area will be provided.

A <u>Multi-Purpose Arena</u> with 16,000 to 19,500 seats with necessary entrances, exits, escalators, scoreboard, service areas, and public assembly spaces.

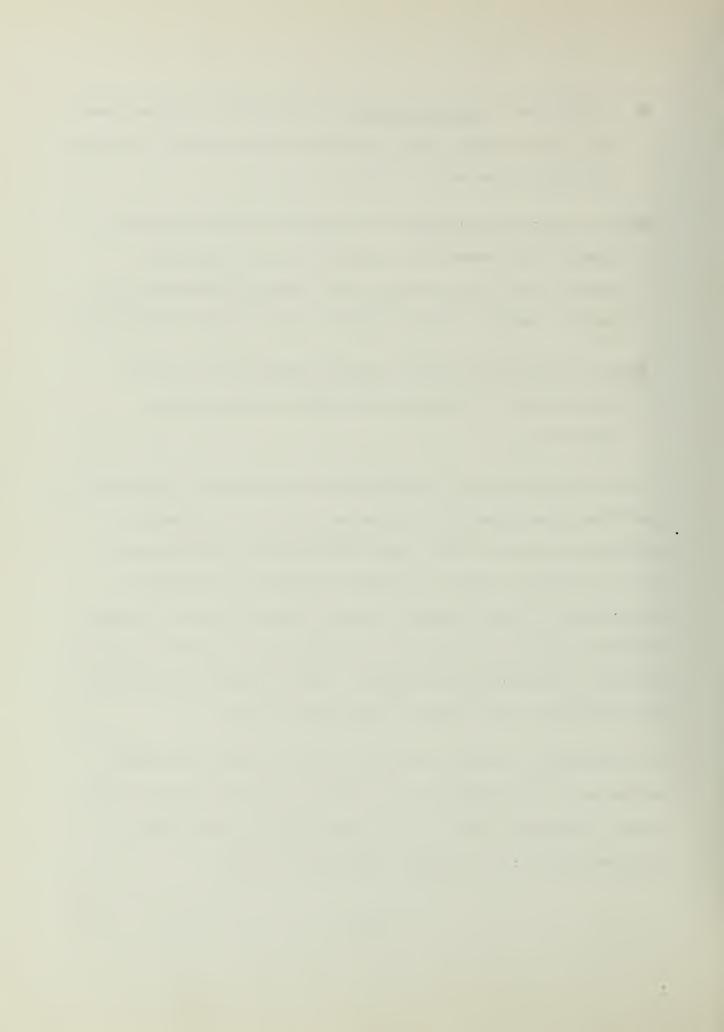
The physical shell of an arena club will be built, but furnishings and fixtures are scheduled to be installed later at the expense of a concessionaire to be selected by the City. Thus, the Financing Program excludes the arena club furnishings and fixtures.



- ♠ A 1,850 space <u>Parking Garage</u>, conveniently located under the complex with a ramp system providing access to major adjoining streets.
- The <u>Central Concourse</u>, an attractive system of malls, plazas, and green open spaces which will link the public facilities and will tie them into BARTD and the north of Market hotel, shopping, and financial districts.
- The <u>Central Heating and Cooling Plant</u> to serve the heating and air conditioning needs of the public facilities.

It should be noted that the Master Plan designates space for the future development of a downtown airline terminal, a legitimate theater, and a small cultural and trade center. It is anticipated that non-profit corporation financing supported by private leases will be used to fund the airline terminal and theater. The cultural and trade center will be privately financed and developed. None of these facilities are included in the current Financing Program.

Also excluded from the Financing Program is the mezzanine extension to Yerba Buena Center from the Powell Street rapid transit station. This \$2.8 million facility, now under construction, is 100 percent Federally funded.



C. FINANCING ARRANGEMENTS

In consultation with the City's financing consultant and (2) bond counsel, available financing methods were examined.

Based upon these discussions, a decision was reached to recommend a Financing Program including the following elements:

- A Financing Agreement will be executed by the City and the Redevelopment Agency summarizing the obligations of both parties in respect to the financing and development of the public facilities.
- The Redevelopment Agency will issue lease revenue bonds in an amount sufficient to pay for the construction of (4) the facilities and other development costs, including (5) land.

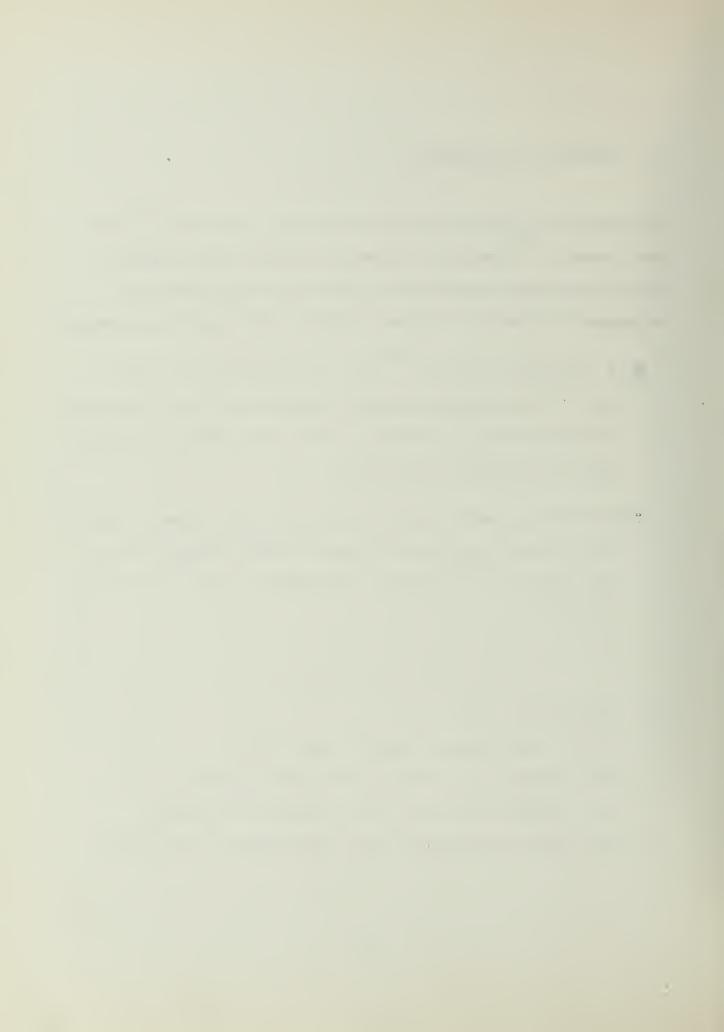
⁽¹⁾ Blyth & Co. Inc.

⁽²⁾ Orrick, Herrington, Rowley & Sutcliffe

⁽³⁾ The Financing Agreement is attached as Exhibit I

⁽⁴⁾ For Construction Costs, see section D, following

⁽⁵⁾ For Other Development Costs, see section E, following



- The bonds will be sold at public sale to the bidder offering to purchase the bonds at the lowest net interest cost to the Agency.
- From the proceeds of the bond sale, the Agency will reimburse the Federal Government for the reuse value of the land and the City will administer the solicitation of bids, the award of construction contracts, and the supervision of construction of the public facilities. In addition, arrangements will be made to pay other development costs from the proceeds of the bond issue.
- Utilizing a Project Lease, the Agency will lease the public sites and completed public facilities to the City at a rent sufficient to amortize the bonds and cover any additional expenses which may be incurred by the Agency.
- Using the Master Private Lease, the Agency intends to

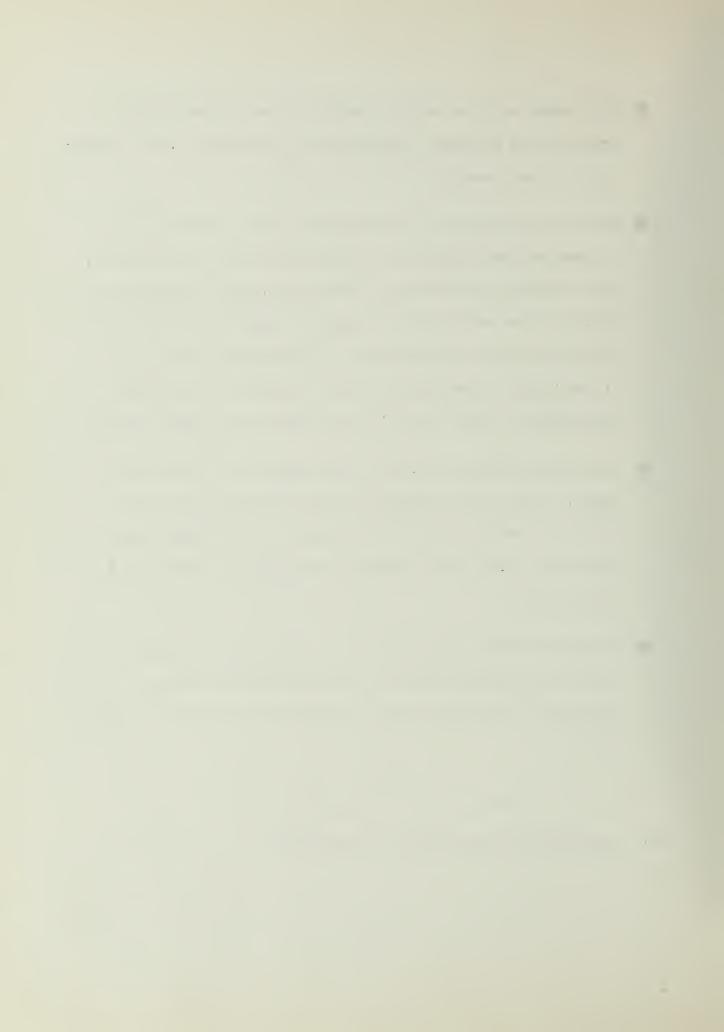
 lease the private sites to the designated private

 (6)

 developer and will make the proceeds available to the

 City.

⁽⁶⁾ Schlesinger-Arcon/Pacific Corporation



When the Agency bonds are paid off, title to the public (7) sites and the public facilities will vest in the City.

(7) The Redevelopment Agency is currently the owner of the public sites subject to the obligation to reimburse the Federal Government for the reuse value of the land.



D. CONSTRUCTION COSTS

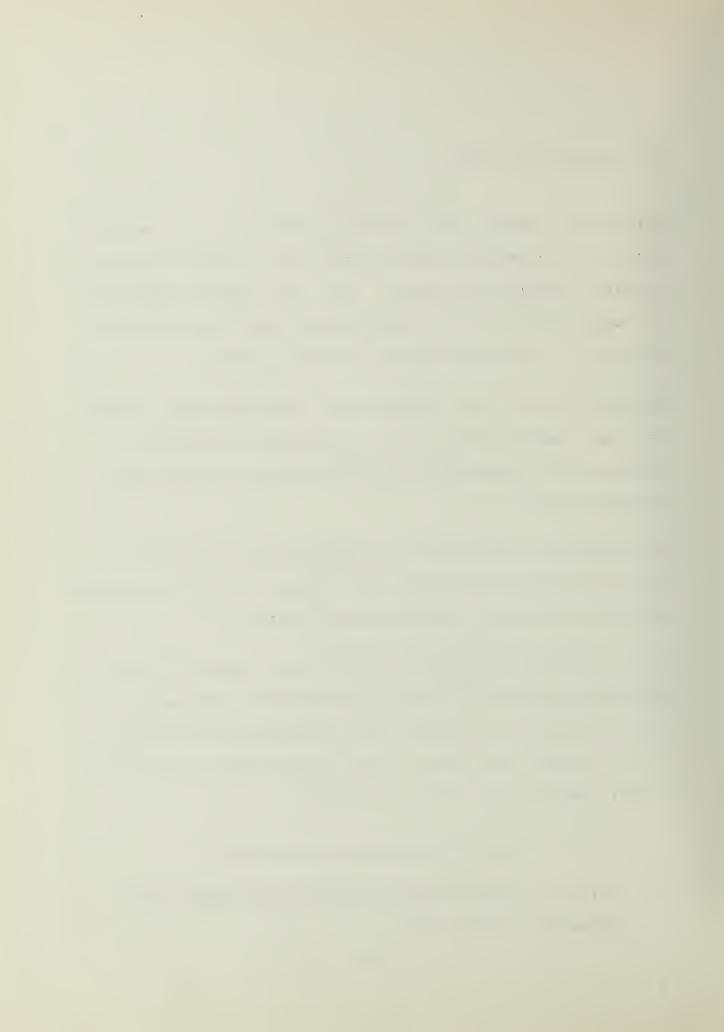
McCue Boone Tomsick, the Executive Architects, have responsibility for estimating construction costs in order to establish reliable construction budgets. Once the construction budgets are approved by the City, the Executive Architects monitor the costs so approved budgets are not exceeded.

The construction cost estimates are being prepared by using the same quantity and unit cost techniques employed by contractors in submitting bids for large and complex construction jobs.

The Executive Architects are responsible also for project and construction scheduling which, because of cost escalation, is a major influence on construction costs.

As an additional safeguard, the City has retained a con(1)
struction consultant who has reviewed and confirmed the
accuracy of the construction cost estimates and schedules.
It is intended also that the same company will supervise the
actual construction of the facilities.

⁽¹⁾ William J. Moran Company, builders and construction management specialists.



Construction cost escalation has been estimated taking into consideration the construction schedule for each facility.

Estimates indicate that construction cost escalation will (1) add an average of 20 percent to the total 1972 construction cost base.

Taking into consideration this escalation factor, a construction cost of \$141.965 million has been estimated for the public facilities:

Utility Relocation	\$ 5.569 mil	lion.
Exhibition Hall and Meeting Rooms Complex	\$63.596	
Multi-Purpose Arena	\$37.908	
Parking Garage	\$21.429	
Central Concourse	\$11.046	
Central Heating and Cooling Plant	\$ 2.417	
Estimated Total Public Construction Cost:	Facilities	\$141.965 million

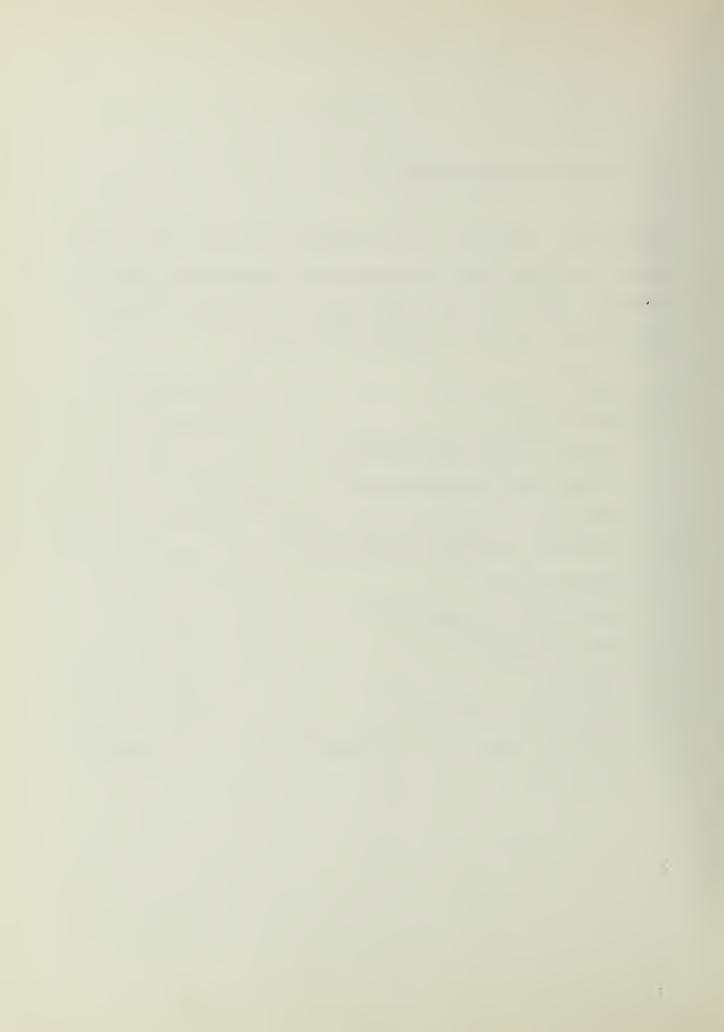
The public facilities construction costs include provision for an extensive minority training program. Each estimate includes also a design contingency and the furnishings and equipment necessary to place the facility into operation.

⁽¹⁾ The application of a 10 percent per year construction cost escalation to the various facilities which are scheduled for construction and completion at different times produces an average escalation of 20 percent.

E. OTHER DEVELOPMENT COSTS

Other costs, essential to the financing and development of the public facilities, must be added to the Construction Costs to arrive at the total bond issue necessary to finance the project. These costs are estimated as follows:

(1) Land	\$14,000,000
(2)	
Works of Art (3)	\$ 1,000,000
Purchase of Previous Studies (4)	\$ 516,000
Architecture and Engineering (5)	\$11,169,000
Construction Inspection and Testing (6)	\$ 2,800,000
Financing and Legal Consultation (7)	\$ 600,000
Funded Interest (8)	\$37,463,000
Construction Contingency (9)	\$ 7,098,000
Administration (10)	\$ 660,000
Insurance	\$ 404,000
Construction Consultant	\$ 1,682,000
Estimated Total Other Development Costs	\$77,392,000



- (1) Source: DHUD-approved reuse appraisals and Redevelopment Agency estimates
- (2) One percent of construction budget less an amount budgeted for decorative elements in the Central Concourse
- (3) Financed by Schlesinger-Arcon/Pacific Corporation
- (4) Architecture; soils, mechanical, electrical, traffic and structural engineering; wind tunnel testing; bid document preparation; other consulting services
- (5) Field inspection during construction; materials testing
- (6) Financing consultation, bond marketing services, and legal services pertaining to issuance of the bonds
- (7) A special fund established to pay debt service on the bonds up to the opening of the facilities, assuming a 6 percent borrowing rate.
- (8) At 5 percent of construction cost to allow for changes in the labor market conditions or rates of escalation.
- (9) City and Agency administrative costs.
- (10) Title and other insurance
- (11) Review and confirmation of estimates and schedules; supervision of construction.

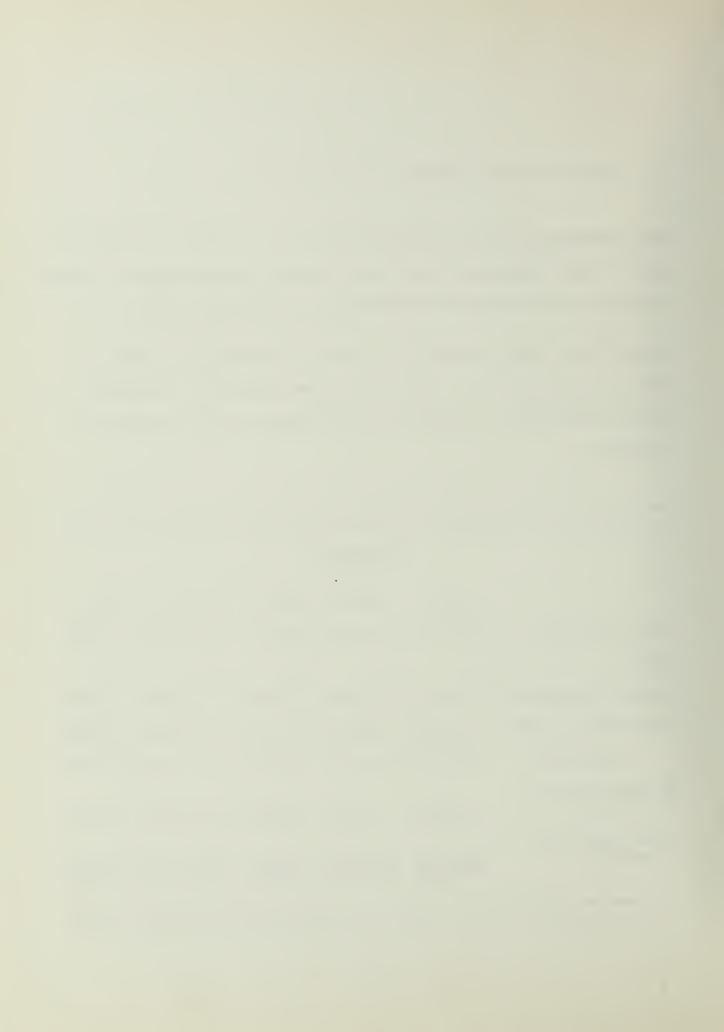


F. SIZE OF THE BOND ISSUE

The combination of the Construction Costs and Other Development Costs, less accumulated hotel tax receipts and investment income, results in the estimated maximum bond issue requirement.

Variations in bond interest rate have a significant impact on total bond issue size. Table One below summaries the effect on the bond issue of interest rates ranging from 5 percent to 7 percent.

		Table One (\$000)			
	5%	5128	6%	612%	7%
Sub-Total Costs	181,894	181,894	181,894	181,894	181,894
Less:					
Hotel Tax Receipts	10,000	10,000	10,000	10,000	10,000
Investment Income	5,529	5,819	6,124	6,438	6,766
Sub-Total	166,365	166,075	165,770	165,456	165,128
Interest During Construction	30,163	33,754	37,463	41,315	45,305
Bond Issue Size (rounded)	196,550	199,850	203,225	206,775	210,425



The interest rate attainable depends upon market conditions in existence at the time the bond issue is sold. For example, at current levels an interest rate of between 5½ and 6 percent would be likely. This would result in a total bond issue of approximately \$202 million.

To provide flexibility in adapting to changes in the bond market an authorization for a total bond issue of \$225 million will be requested. However, bonds will be sold only to the extent that they are necessary to fund the actual construction of the facilities and to pay other development costs.



G. ANNUAL DEBT SERVICE

Table Two, below, indicates the annual debt service required to cover the same range of bond issue sizes shown in Table One, (section F, above):

 $\overline{(1)}$

Table Two (\$000)

Annual Debt Service by Bond Issue Size

Bond Issue Size 196,550 199,850 203,225 206,775 210,4

Annual Debt Service 12,465 13,436 14,457 15,534 16,665

Full annual debt service will not commence until the completion of the facilities in 1976. Until completion of each individual facility, debt service will be provided from funded interest.

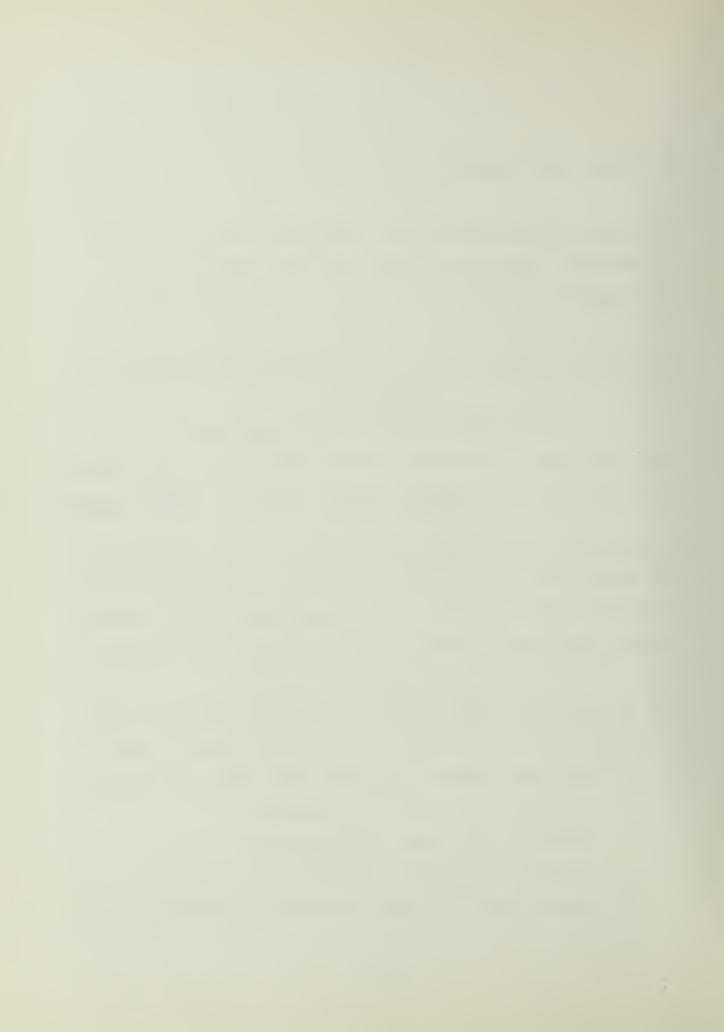
(1) In calculating debt service requirements, it is assumed that bonds having a final maturity of 35 years will be sold and that principal repayment will commence as follows:

Series A 5th year (31 payments)

Series B 4th year (32 payments)

Series C 3rd year (33 payments)

All payments are on a level annual basis (principal and interest).



H. DIRECT AND INDIRECT INCOME GENERATION

The construction of the Yerba Buena Center public facilities will have a substantial positive impact on San Francisco's convention and visitor oriented economy. Conversely, there is little question that, because other cities are rushing highly competitive facilities to completion, San Francisco's economy will be seriously damaged if Yerba Buena Center is not built.

Aside from a general impact on the economy, the new Yerba

Buena Center exhibition hall-arena complex will generate or

influence the generation of new direct and indirect income

to the City. In considering the cost of building Yerba

Buena Center, these income sources should be considered also.

<u>Direct Income</u> (see Figure A)

There are four sources of income which can be applied to offset rentals under the project lease: private land rents, facilities income, hotel tax allocation, and Yerba Buena Center property tax increments.

Private Land Rents (see Exhibit II, attached)

Under a Master Private Lease between the Redevelopment

Agency and the designated private developer, Schlesinger
Arcon/Pacific, the private developer will be obligated



to pay approximately \$568,925 per year rent for land and air rights upon which he has the right to develop a hotel, four office buildings, an apparel mart, and retail spaces. These rents will be made available by the Agency to the City to offset rental payments under the project lease.

Facilities Income (see Exhibit III, attached)

The second major source of direct income available to offset rental payments is the combined income resulting from the operation of the Exhibition Hall, Multi-Purpose Arena, and Parking Garage.

Exhibition Hall

Exhibition halls seldom generate sufficient income to cover both operating expenses and debt service. Relatively high construction cost coupled with rental rates which must often be set low to attract convention and exhibition business result in little income availability for debt service. The benefits derived from exhibition halls tend to be of a general economic nature rather than net income.



In estimating income for the Exhibition Hall and Arena, three different studies were taken into consideration:

Economic Research Associates, Economic Performance of Public Facilities in Yerba Buena Center, dated February 9, 1970.

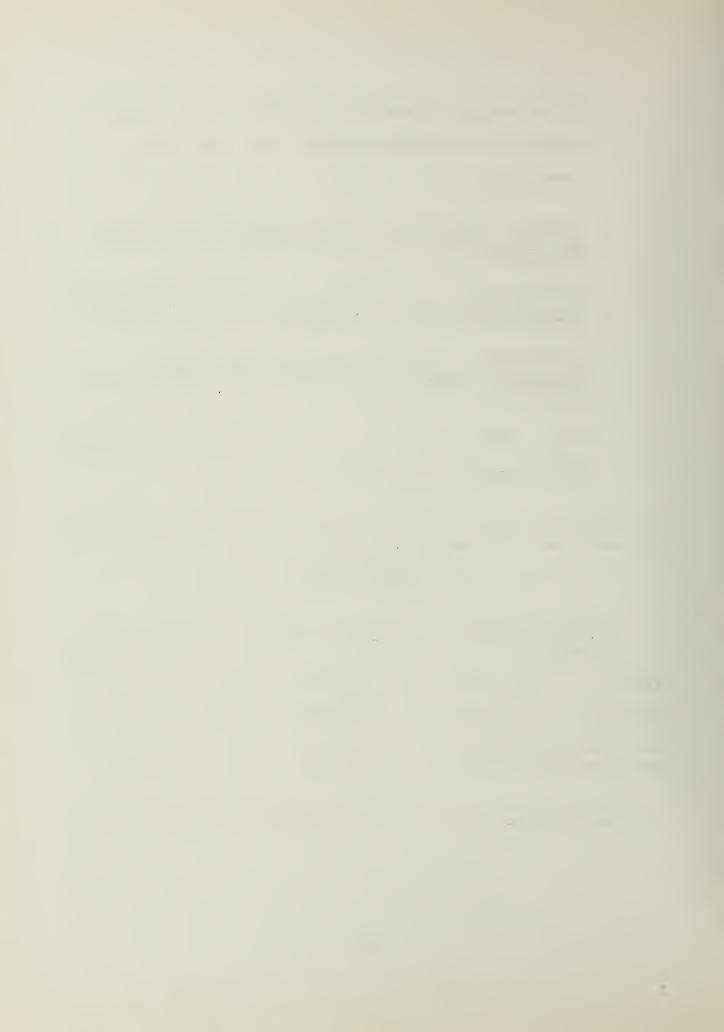
Madison Square Garden Corporation, Yerba Buena Center Proposed Sports and Entertainment Arena and Exhibit Hall, dated February 19, 1970.

Schlesinger-Arcon/Pacific Corporation, Public Facilities Economic Feasibility, Yerba Buena Center, dated May 5, 1971.

These studies made the following estimates of expenses and income for the Exhibition Hall:

Table Three Projection of Exhibition Hall Income

Economi Associa	c Research	Madison Sq uar e Garden	Schlesinger- Arcon/Pacific
Income	\$617,300	\$650,300	\$726,000
Expenses	324,600	405,900	683,000
Net Income A Debt Service	Available for \$292,700	\$244,400	\$ 43,000



It should be noted that all three studies indicate some net income from the operation of the Exhibition Hall. However, projected net revenue is relatively insignificant in relationship to the total debt service requirement. For the purposes of conservative estimation, no net income available for debt service is projected for the Exhibition Hall.

Multi-Purpose Arena

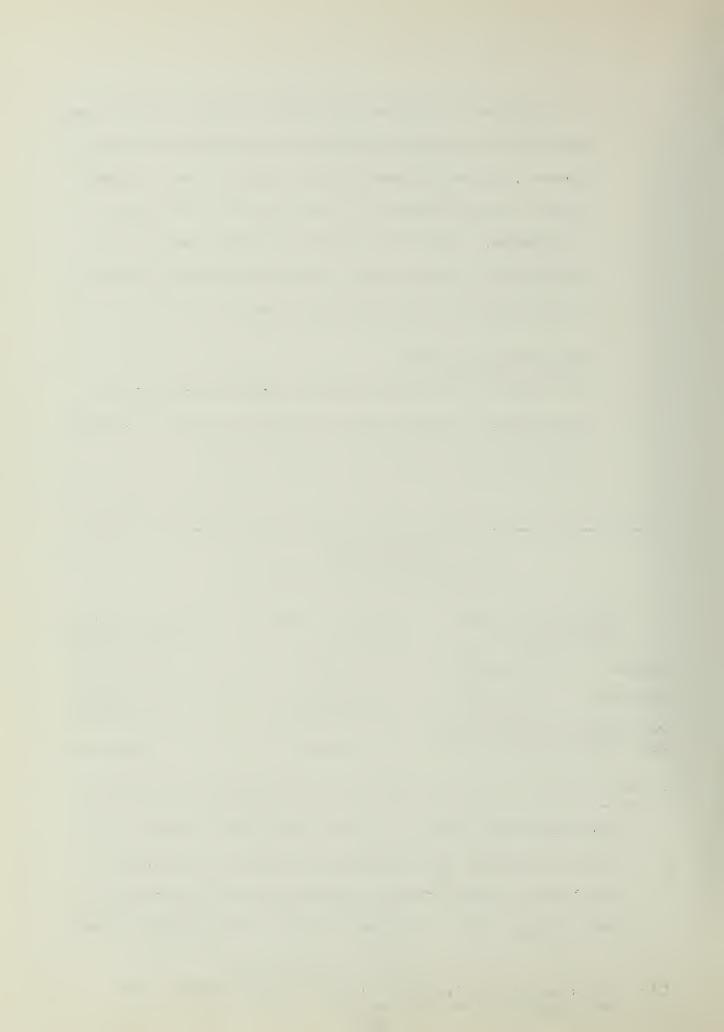
The Arena is in a substantially better position to generate net income than the Exhibition Hall. Income projections for the Arena are as follows:

			Four	
Projecti	on	of	Arena	Income

	omic Research ciates(1)	Madison Square Garden	Schlesinger- Arcon/Pacific
Income	\$704,980	\$1,260,700	\$1,829,100
Expenses	418,950	580,100	773,000
Net Incom Debt Serv	e Available for ice \$ 286,030	\$ 680,600	\$1,056,000

Based upon the above projections and consideration of events schedules and attendance an annual net income available to offset rental payments under the project lease of \$816,720 is assumed for the Multi-Purpose Arena.

⁽¹⁾ The size of the Arena was substantially smaller than now scheduled for development.



Parking Garage

During the preparation of the Master Plan the number of public parking spaces to be provided in public parking garages in Yerba Buena Center was influenced by space requirements, environmental considerations and economic factors. It has been concluded that 1,850 spaces provides a satisfactory balance.

The income potential of the garage is summarized as follows:

Table Five Projection of Parking Garage Income (1,850 parking spaces)

Income

\$2,439,047

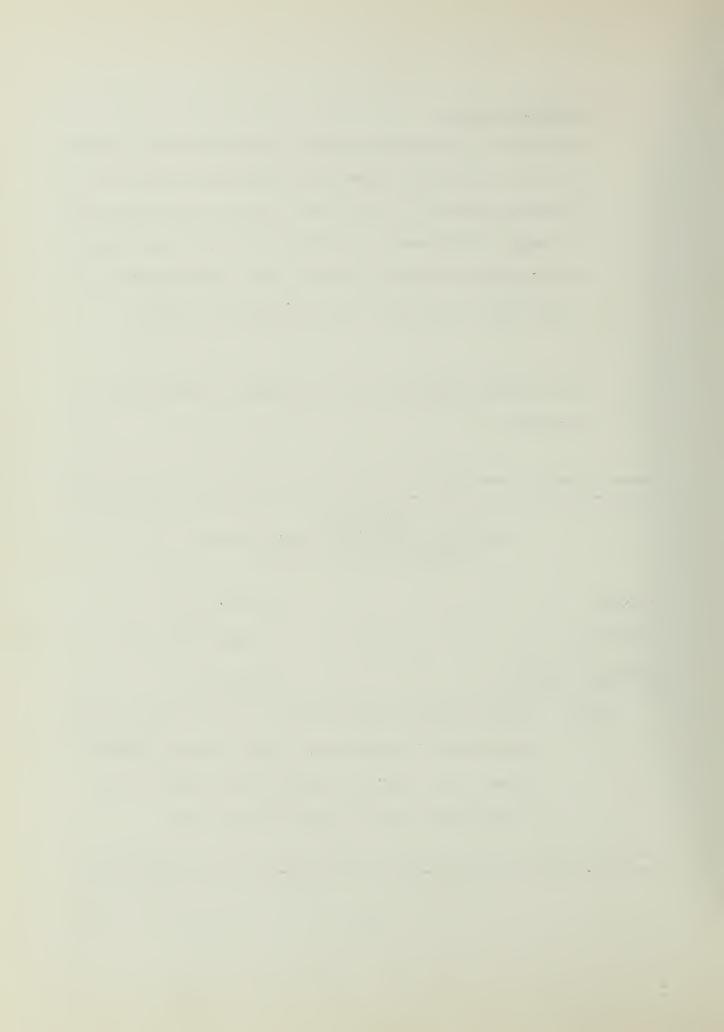
Expenses

521,700

Income Available for Debt Service

\$1,917,347

NOTE: Studies prepared by Economic Research Associates,
Schlesinger-Arcon/Pacific, and Frank E. Carroll
Company were used by the City and Agency staff
as the basis for the above projections.



For the purposes of this Financing Program, net income from the parking garage available to offset rental payments is estimated to be \$1,917,347 per year.

Facilities Use Tax (see Exhibit IV, attached)
The Financing Program recommends using a Facilities Use
Tax ("ticket tax") of fifty cents per ticket for all
events in the Arena and consumer shows (not conventions)
in the Exhibition Hall. The Facilities Use Tax would
provide an additional \$843,550 in facilities income
based upon projections of event attendance.

Facilities Operation

The facilities income projections contained in this section assume business-like operation of the entire complex by a single management entity. Inefficient or haphazard operation of the facilities will have serious adverse effects on income generation. On the other hand, efficient operation with suitable attention to promotion and business development should result in net income substantially in excess of that projected.

Hotel Tax Allocation (see Exhibit V, attached)
Another significant source of direct income to the project comes from the present allocation of approximately
36 percent of the proceeds from San Francisco's transient



occupancy tax (Hotel Tax). By 1976 this source will produce a projected \$1,831,000 of direct annual income available for debt service. By 1982 the hotel tax revenues from this source are projected to increase to an estimated \$2,021,000.

Increased Property Taxes from Private Development in

Yerba Buena Center (see Exhibit VI, attached)

By the use of the tax increment financing method, all of the increased taxes generated by private development in the Yerba Buena Center Redevelopment Project can be applied to the amortization of the public facilities debt.

By 1976, the year when the public facilities are scheduled to be completed, annual tax revenues from private development should be in excess of \$6.8 million. By 1982, when the Redevelopment Project is scheduled to be completed, these revenues will increase to an estimated \$10.3 million. These revenues are over and above the annual tax revenues of \$1 million before redevelopment.



In most cases the construction of these buildings literally depends upon the construction of the Yerba Buena Center public facilities. If the public facilities are not built, this private development will be long delayed, drastically reduced in size, or abandoned entirely.

Indirect Income (see Figure B)

There are also three sources of income to the City which should be considered as an indirect offset to the annual rentals required to build the public facilities. These are: increased property taxes from new hotels built outside Yerba Buena Center in anticipation of its construction, increased sales tax revenue from new and expanded convention business, and parking tax revenues generated by the Yerba Buena Center public garage.

New Hotels Built in Anticipation of Yerba Buena Center (see Exhibit VII, attached)

In the past few years fourteen major hotels, motor hotels, or hotel additions have been completed, are under construction, or are on the drawing boards.

All of these hotels, motor hotels, and hotel additions will be or are scheduled to be, complete by 1976, the year of completion of the public facilities. As these hotel facilities have been built or are being built largely in anticipation of Yerba Buena Center, it is appropriate that the \$5 million



in estimated annual tax revenues to be generated by this source be considered in evaluating the cost of the public facilities.

Increased Sales Tax Revenue From New Convention Business (see Exhibit VIII, attached)

The San Francisco Convention and Visitors Bureau estimates that convention business will increase 50 percent following completion of the Yerba Buena Center convention-exhibition-sports complex. Even if the increase is more conservatively estimated at 30 percent, increased sales taxes generated by new convention business would yield more than \$250,000 in annual revenues to the City (at 50% the revenues would approximate \$417,000).

Parking Tax Revenues Generated by Yerba Buena Center (see Exhibit IX, attached)

The continuation of San Francisco's parking tax and its application to the 1,850 space Yerba Buena Center parking garage and the adjoining 600 space private garage would bring in an estimated \$307,840 in annual tax revenues.

⁽¹⁾ Assumes 10 percent.



SOURCES OF DIRECT INCOME

(\$ MILLIONS)

TOTAL \$ 16.48

TOTAL \$ 12.68

Yerba Buena Center

Property Tax Increment \$6.81

Facilities Income \$3.58

Hotel Tax \$1.83

Land Rents \$.46

ANNUAL INCOME (MILLIONS)

1976

Yerba Buena Center

Property Tax Increment \$10.31

Facilities Income \$3.58

Hotel Tax \$2.02

Land Rents \$.57

ANNUAL INCOME (MILLIONS)

1982

FIGURE A

1976 Completion of Public Facilities.

1982 Redevelopment Project H-10 Fully Completed.

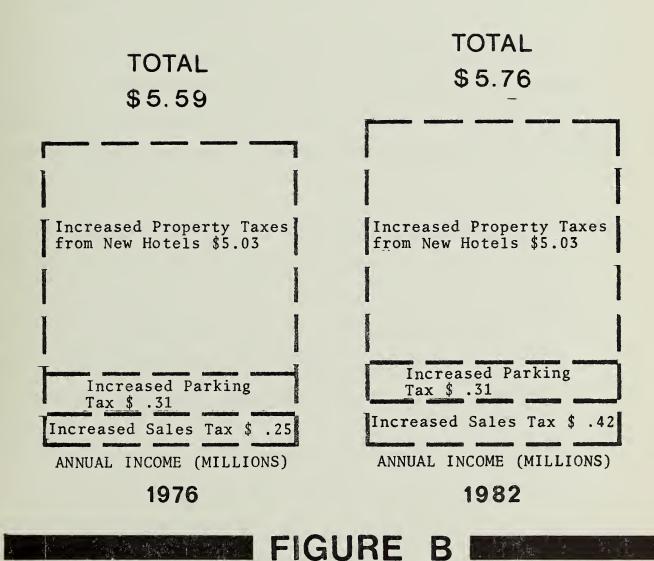
City and County of San Francisco San Francisco Redevelopment Agency

March 1, 1972



SOURCES OF INDIRECT INCOME

(\$ MILLIONS)



1976 Completion of Public

City and County of San Francisco San Francisco Redevelopment Agency

1982 Redevelopment Project H-11 March 1, 1972 Fully Completed.

Facilities.



I. PAYING FOR THE FACILITIES

In section G an annual debt service requirement (based upon a construction cost of \$141.965 million and 35 year bonds) ranging from \$12.5 million (a bond issue of \$196.6 million at 5 percent) to \$16.7 million (a bond issue of \$210.4 million at 7 percent) was indicated.

In today's bond market, it is likely that an interest rate of 5½ to 6 percent can be achieved. If the higher percentage (6 percent) is assumed (midway in the range of interest rates under consideration) then an annual debt service of \$14.5 million would be required.

Figure C contrasts estimates of required annual debt service with estimates of direct and indirect income generated by Yerba Buena Center. Estimates of direct and indirect income are shown both for 1976 (the year in which the public facilities are scheduled to be completed) and 1982 (the year in which the entire redevelopment project is scheduled to be completed).



COMPARISON OF DEBT SERVICE REQUIREMENTS WITH DIRECT AND INDIRECT INCOME

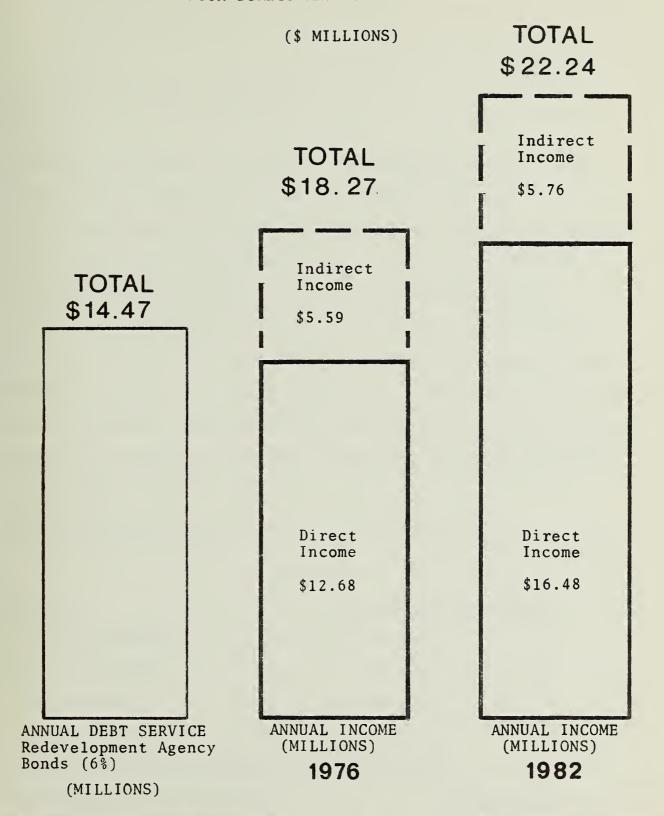


FIGURE C

I - 2

1976 Completion of Public Facilities.

1982 Redevelopment Project Fully Completed.

City and County of San Francisco San Francisco Redevelopment Agency

March 1, 1972



J. NON-CASH GRANTS-IN-AID

Although not directly related to the financing of the Yerba
Buena Center public facilities, the Federal non-cash grantsin-aid generated by the construction of the Yerba Buena Center
facilities have a significant impact on the City's fiscal
position. By financing and constructing eligible public
facilities, the City is able to claim all or a part of the
cost of construction as its share (one third City; two thirds
Federal) of the cost of Federally-funded redevelopment projects.
Table Six below, summarizes the estimated non-cash grants-in-aid
generation resulting from the construction of the Yerba Buena
Center public facilities:

		
Та	ble Six	
Facility	Estimated Contri	
Site Improvements	\$ 6,047,000	(1)
Exhibition Hall	\$ 3,500,000	(2)
Parking Garage	\$24,026,100	(3)
Central Concourse	\$12,629,400	(3)
Central Heating and Cooling P		(3)
Estimated Total Contribution	\$48	,914,700



To a substantial degree the current City and Redevelopment
Agency financing programs for the Federally funded Yerba Buena
Center, Western Addition Area A-2, and India Basin Redevelopment Projects depend upon the construction of the Yerba Buena
Center public facilities. If a decision is made not to proceed
with the public facilities then the City will have to secure
substitute non-cash grants-in-aid or direct cash contributions
to fulfill its obligations to the Federal Government. These
substitute non-cash grants-in-aid or direct cash contributions
are estimated as follows:

			(4)
Yerba Bue	na Center	Redevelopment	Project

Substitute Non-Cash
Grants-In-Aid
OR
Contribution

\$21 million
\$14 million

Western Addition Area A-2 Redevelopment Project

Substitute Non-Cash
Grants-In-Aid
OR
Contribution
(5)
\$18 million
\$12 million

India Basin Redevelopment Project

Substitute Non-Cash
Grants-In-Aid
OR

OR

(5)

\$ 9 million

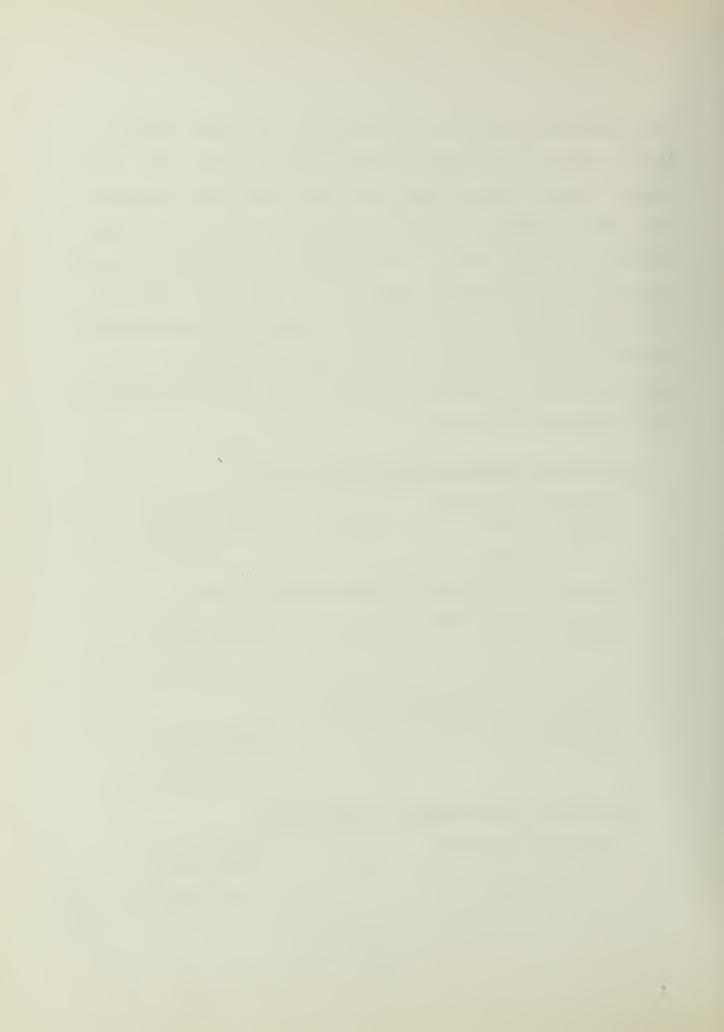
\$ 6 million

Total Three Redevelopment Projects Above

Substitute Non-Cash
Grants-In-Aid
OR

\$48 million

\$32 million



- (1) Utility relocation, lighting, street widening, sewers.
- (2) Maximum allocation under Federal regulations.
- (3) Land and construction cost, including architecture and engineering.
- (4) Even though Yerba Buena Center generates excess non-cash grants-in-aid, it needs about \$21 in non-cash grants-in-aid from the public facilities for its own financing program.
- (5) Calculated at two thirds of the amount of the substitute non-cash grants-in-aid.



K. SUPPORTING STUDIES

The projections, judgments, and recommendations contained in this Financing Program are based upon a series of economic, marketing, and feasibility studies prepared by consultants over a period of several years.

The studies supporting the Yerba Buena Center Financing Program include the following:

Market Demand

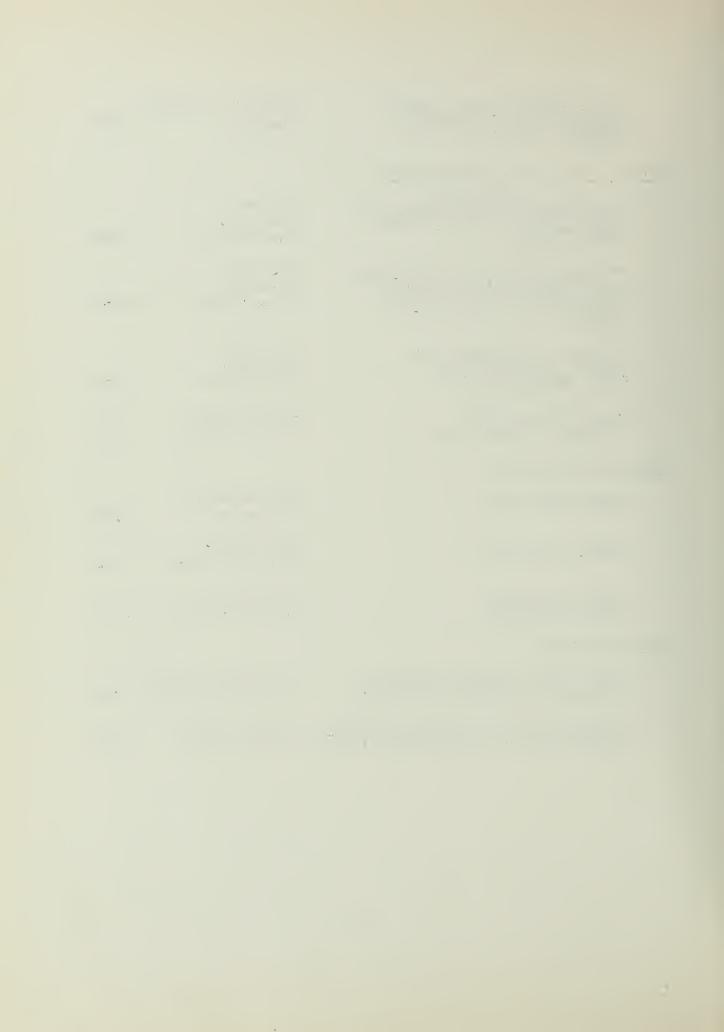
Land Utilization and Market Analysis	Roy Wenzlick & Company	1963
Land Utilization and Marketability Study	Real Estate Research Corp.	1965
Transient Housing Survey	Development Research Assoc.	1968
Market Analysis, Central Blocks	Development Research Assoc.	1969
Transient Housing Survey	Development Research Assoc.	1970
Transient Housing Survey	Development Research Assoc.	1971

Parking Surveys and Parking Demand

Parking Survey	Agency 1964
Downtown Parking and	City and County
Traffic Survey	of San Francisco 1966



Yerba Buena Center Public Garages, Parking Demand Study	Frank E. Carroll Company	1970
Public Facilities Feasibility		
The Economic Performance of Public Facilities in Yerba Buena Center	Economic Research Associates	1965
Reevaluation of the Develop- ment Feasibility of Public Facilities in Yerba Buena Center	Economic Research Associates	1966
Economic Performance of Public Facilities in Yerba Buena Center	Economic Research Associates	1970
Public Facilities Economic Feasibility	Schlesinger- Arcon/Pacific	1971
Property Valuation		
Reuse Appraisal	Roy Wenzlick & Company	1963
Reuse Appraisal	Real Estate Research Corp.	1964
Reuse Appraisal (Central Blocks)	Development Research Assoc.	1970
Other Studies		
Controller's Annual Report, Automobile Parking Facilities	City and County of San Francisco	1971
Report of Madison Square Garden Corporation on Yerba Buena Center	Madison Square Garden Corp.	1970



EXHIBITS

FINANCING AGREEMENT	I
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FINANCING AGREEMENT

THIS AGREEMENT, dated for convenience as of April 15, 1972, by and between the City and County of San Francisco, a chartered City and County of the State of California, duly organized and existing under the Constitution and laws of the State of California (herein called the "City") and the Redevelopment Agency of the City and County of San Francisco, a redevelopment agency and public body, corporate and politic, duly created, organized and existing under and by virtue of the laws of the State of California (herein called the "Agency");

WITNESSETH:

WHEREAS, the Agency is a duly constituted redevelopment agency under the laws of the State of California and pursuant to such laws has duly proceeded with the redevelopment of the Yerba Buena Center redevelopment project area within the City; and

WHEREAS, the redevelopment plan provides for certain permitted uses in said project area, which uses include generally the Public Facilities hereinafter described; and

Exhibit I



whereas, the parties hereto have heretofore entered into certain agreements to provide mutual aid and assistance in the redevelopment of certain areas of the City by the Agency; and

WHEREAS, the parties hereto in consideration of their mutual undertakings, past and present, herein and otherwise, desire to provide for the financing of said Public Facilities; and

WHEREAS, the City has caused the Executive

Architect, McCue Boone Tomsick, a California corporation,

of San Francisco, California, to commence preparation

of plans and specifications so as to enable the City

to call for bids for construction of the Public

Facilities.

NOW, THEREFORE, in order to further the cooperation between the City and the Agency with respect to the matters hereinafter set forth and in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto as follows:



ARTICLE I

DEFINITIONS

SECTION 1. Definitions.

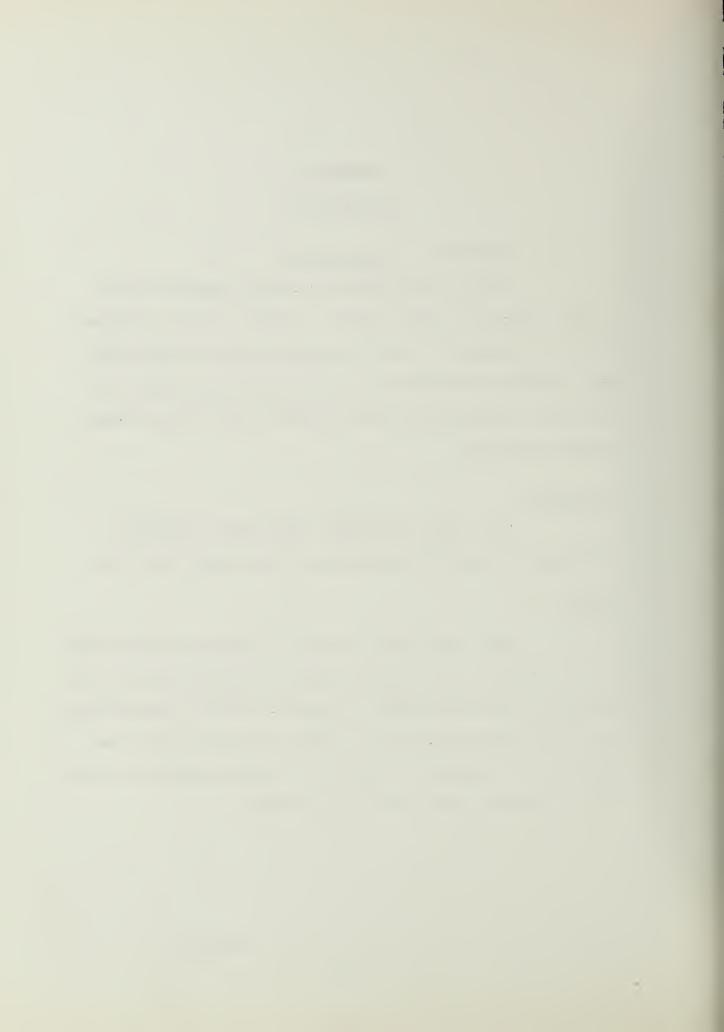
Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of this agreement, have the meanings herein specified, the following definitions to be equally applicable to both the singular and plural forms of any of the terms herein defined:

Agreement

The term "Agreement" means this financing agreement, dated for convenience as of April 15, 1972.

Bonds

The term "Bonds" means the lease revenue bonds to be issued by the Agency under the Resolution for the purpose of raising money to provide for Site acquisition and the construction of the Public Facilities and the payment of expenses incurred in connection therewith and in the issuance and sale of said bonds.



Construction Consultant

The term "Construction Consultant" means the firm of William J. Moran Company or such other management consulting firm as may be selected by the City to review plans and cost estimates, to assist in construction supervision and to approve construction requisitions.

Private Facilities and Leases Thereof

The term "Private Facilities" means any facility constructed on the Site by a private developer or developers selected by the Agency, and the term "Private Lease" means any lease of any portion of the Site on which Private Facilities are to be constructed.

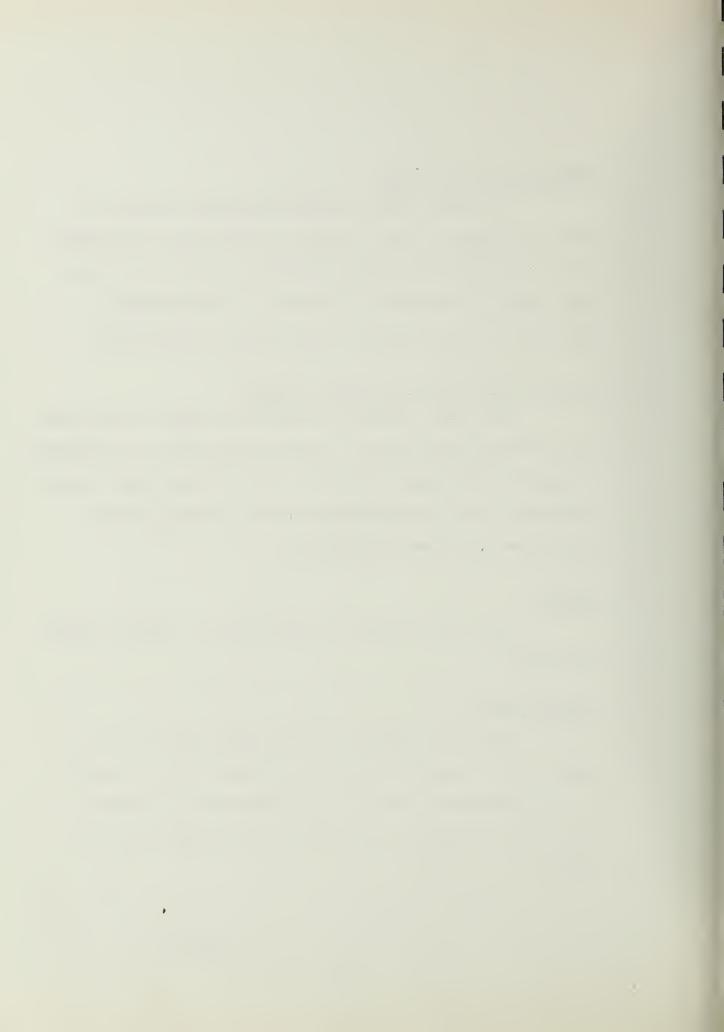
Project

The term "Project" means the Site and the Public Facilities.

Project Lease

The term "Project Lease" means that certain lease and all subsequent lease or leases of the Project, or any part thereof, which may be entered into between the Agency, as lessor, and the City, as lessee, of the Project.

Exhibit I



Public Facilities

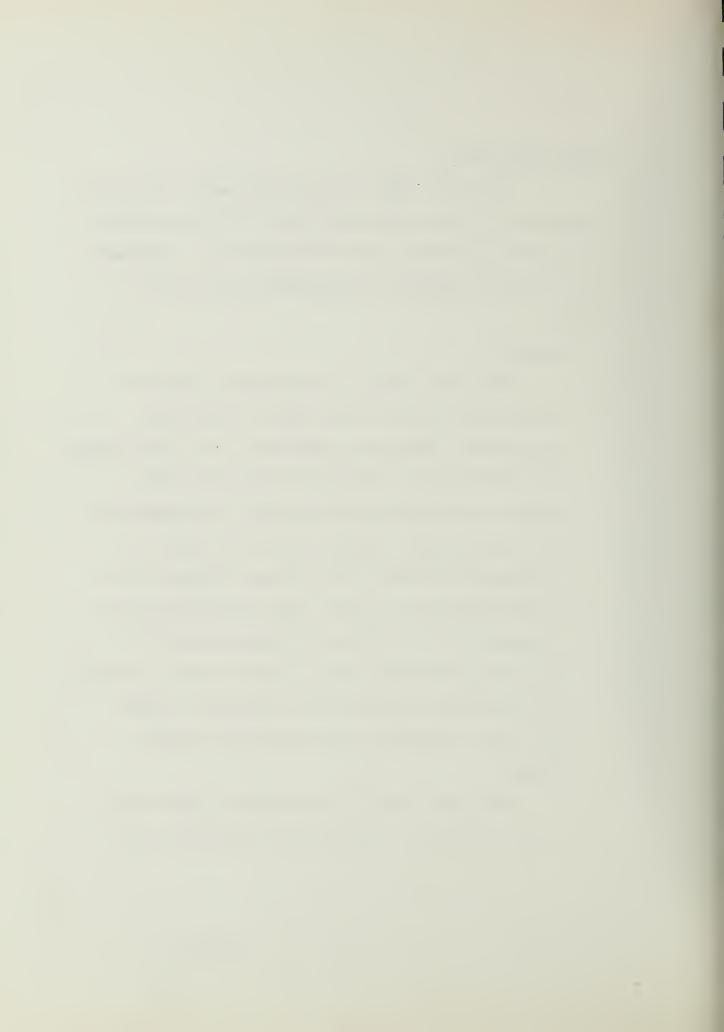
The term "Public Facilities" means the public components of the Project which are to be constructed by the City, including, but not limited to, components of the Project hereinafter described as follows, to wit:

Phase 1

The term "Phase 1" contemplates the Site acquisition and the first unit of the Public Facilities, comprising demolition, mass excavation and bulkheading, parking structure including rough slab exhibition hall floor, and exhibition hall foundations, together with structures to accommodate streets and utilities together with reimbursement for certain City preliminary work consisting of the relocation and extension of utilities, together with all other works, property or structures necessary for a community center for public assembly and convention purposes.

Phase 2

The term "Phase 2" contemplates the second unit of the Public Facilities, comprising the



balance of the exhibition hall component,
exhibition hall service areas, common public areas,
miscellaneous structures, extension of utilities,
a central heating and cooling plant, and utility
distribution systems, together with all other works,
property or structures necessary for a community
center for public assembly and convention purposes.

Phase 3

The term "Phase 3" contemplates the third unit of the Public Facilities, comprising a sports arena complex including fixed seating, extension of utilities, completion of certain common public areas and attendant structures, restoration of streets, and furnishings and fixtures, together with all other works, property or structures necessary for a community center for public assembly and convention purposes.

Resolution

The term "Resolution" means the resolution adopted by the Agency authorizing the issuance of the Bonds, as originally adopted or as it may from time



to time be amended or supplemented by any supplemental resolution adopted pursuant to the provisions thereof.

Site

The term "Site" means that certain real property situated in the City and County of San Francisco, State of California, generally described on the map attached hereto and marked Exhibit A and made a part hereof.

Trustee

The term "Trustee" means the trustee or fiscal agent appointed under the Resolution and referred to therein as the Trustee.

ARTICLE II

FINANCING

SECTION 2.1. Issuance of Bonds.

The Agency will take all necessary steps to authorize, issue and sell the Bonds in a principal amount sufficient to pay all costs of acquisition of the Site and design, construction and furnishing (including art work) of the Public Facilities together with expenses incident



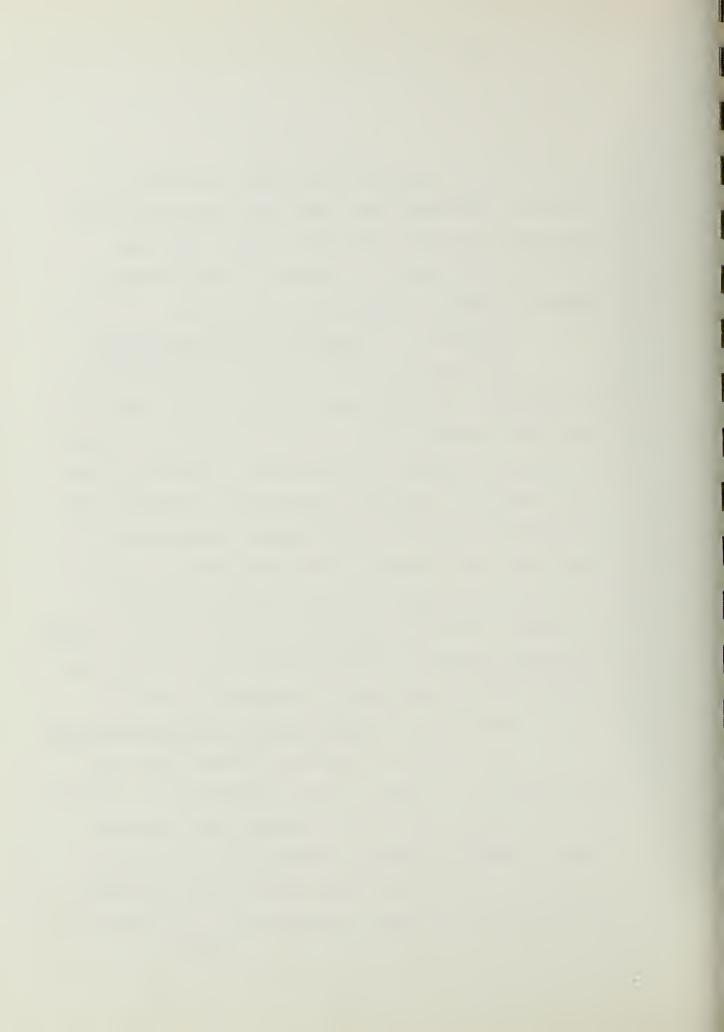
to the issuance and sale of the Bonds, including financial consultants' and legal fees and miscellaneous administrative costs; provided, however, that such principal amount shall not exceed \$225,000,000 in the aggregate, without the approval of the City.

SECTION 2.2. Payment of Construction Costs.

The Agency will pay the cost of construction of the Public Facilities from the Construction Fund to be established pursuant to the proceedings for the issuance of the Bonds pursuant to requisitions, certified by the City Controller, the City's Construction Consultant and the Executive Director of the Agency. Disbursement of such funds shall be made by the Trustee under the Resolution, with the approval of the Executive Director of the Agency, and said Trustee will be authorized to disburse said funds pursuant to approved requisitions without any further action on the part of the Agency or the City.

SECTION 2.3. Project Lease or Leases and Rental.

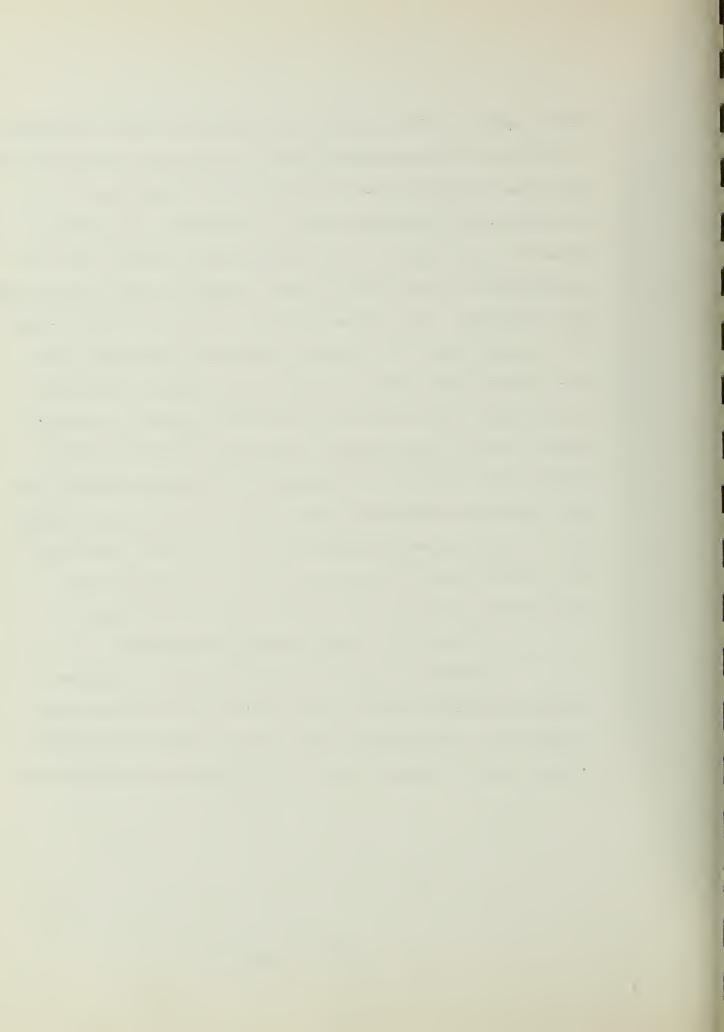
The Agency will execute a Project Lease and such supplemental leases as may be appropriate to the City and the City will rent from the Agency said completed Phase 1, Phase 2 and Phase 3 components or such other allocation of the Public Facilities as may be desirable at a time and at a rental, respectively, to be mutually Exhibit I



agreed upon but which shall in any event be fully sufficient to amortize the outstanding bonds of the Agency together with additional rentals to cover any incidental additional expenses which may be incurred by the Agency. All rental payments to be made by the City under the Project Lease or supplemental leases shall be made directly to the Trustee under the Resolution. So long as the City is not in default under the Project Lease, all rentals received by the Agency from any Private Lease shall be paid by the Agency to the City. In the event that the City is in default under the Project Lease, then all such rentals received by the Agency from any Private Lease may be retained by the Agency and all income derived by the Agency from the operation of the Project shall be applied as provided in the Resolution. Upon payment and discharge of the Bonds, title to both the Site and the Public Facilities will be vested in the City.

SECTION 2.4. Tax Allocation Financing.

The Agency will take all such steps as may be legally permissible and in the exercise of its discretion to amend the redevelopment plan for the Yerba Buena Center project area to include a provision therein authorizing the



allocation of taxes pursuant to Section 19 of Article

XIII of the Constitution of the State of California

and Article 6 of Chapter 6 of the Community Redevelopment

Law of the State of California. Upon amending the

redevelopment plan to include such provisions, the Agency

agrees to enter into a repayment agreement with the

City providing for payment to the City of all such tax

allocations to offset lease rental payments by the City

under the Project Lease.

SECTION 2.5. Legal and Financial Consultants.

The Agency will pay or provide for the payment, from the proceeds of the sale of the Bonds, of contracts of legal and financial consultants for services to be performed in connection with the financing of the Project.

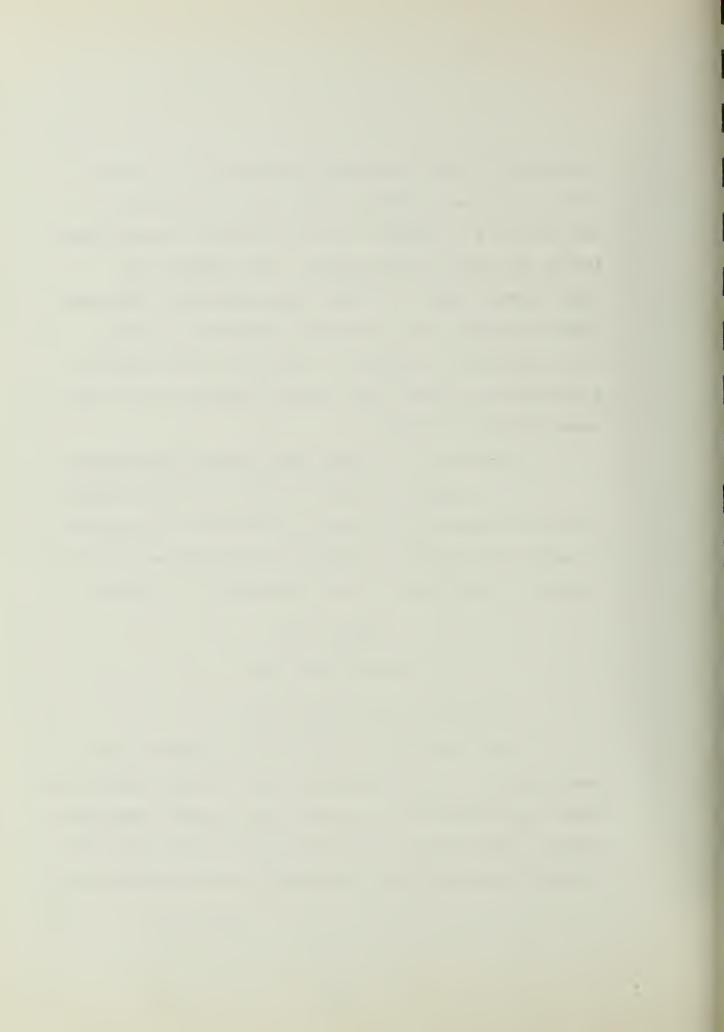
ARTICLE III

CONSTRUCTION BIDS

SECTION 3.1. Call for Bids.

The City will call for public bids for the construction of the Public Facilities or parts thereof and award the construction contract to the lowest responsible bidder. The call for bids will provide that payment for the work and labor to be performed by the contractor will

Exhibit I



be supplied by the Agency from the proceeds of the Bonds to be issued by the Agency and other funds which may be available to the Agency for such payment (including hotel tax funds which may be appropriated by the City for such construction) and that the City will be under no further liability for the payment of the costs of said construction. The call for bids will also provide that the City will oversee and supervise the construction of the Public Facilities. The City will employ a Construction Consultant to assist in the performance of such services. The fees and expenses of the Executive Architect, the Construction Consultant and other construction related expenses will be an element of the construction cost and included in those costs to be paid from the proceeds from the sale of the Bonds or paid therefrom to reimburse the City therefor. The Agency agrees to make progress payments upon receipt of duly executed requisitions, properly certified by the City Controller, the Construction Consultant and the Executive Director of the Agency, although the Agency will not take part in the actual construction of the Public Facilities.

Exhibit I



ARTICLE IV

CONSTRUCTION CONTROLS

SECTION 4.1. Construction Consultant Supervision.

The Construction Consultant shall be charged with overall supervision of construction of the Public Facilities for and on behalf of the City. Although it is not contemplated that the Construction Consultant shall provide full on-site inspection, it is contemplated that the Construction Consultant, in cooperation with the Executive Architect, will assist the City in administration of the construction contract by monitoring contractor's schedules and manpower, including the contractor's costs, and will also review and approve progress billings; will assist the City in administering the soils and materials testing by providing on-site inspection; and will also carry out change order controls and negotiate changes and monitor the costs of change orders.

The Agency agrees that the functions of the Construction Consultant may be altered by agreement between the Construction Consultant and the City.



IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

CITY AND COUNTY OF SAN FRANCISCO
Ву
Mayor Mayor
ATTEST:
Clerk of the Board of Supervisors
APPROVED:
Chief Administrative Officer
Director of Property
Director of Public Works
APPROVED AS TO FORM:
THOMAS M. O'CONNOR City Attorney
Deputy City Attorney

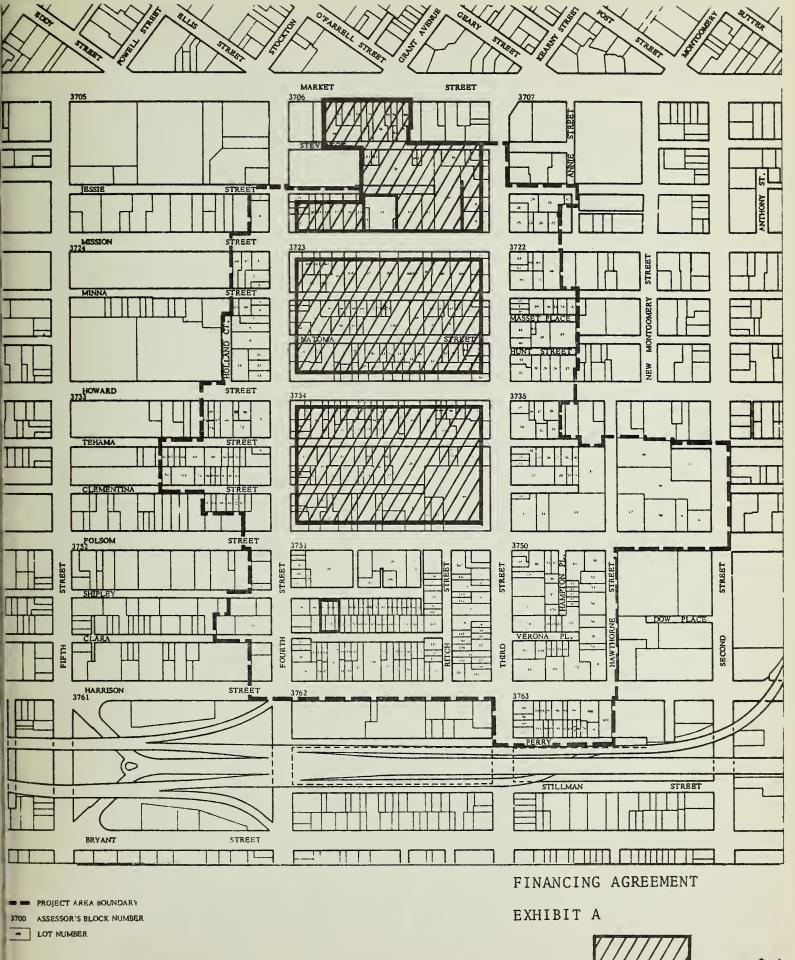
Exhibit I



REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO

	Ву	,	Chairman	
ATTEST:				
	Secretary			





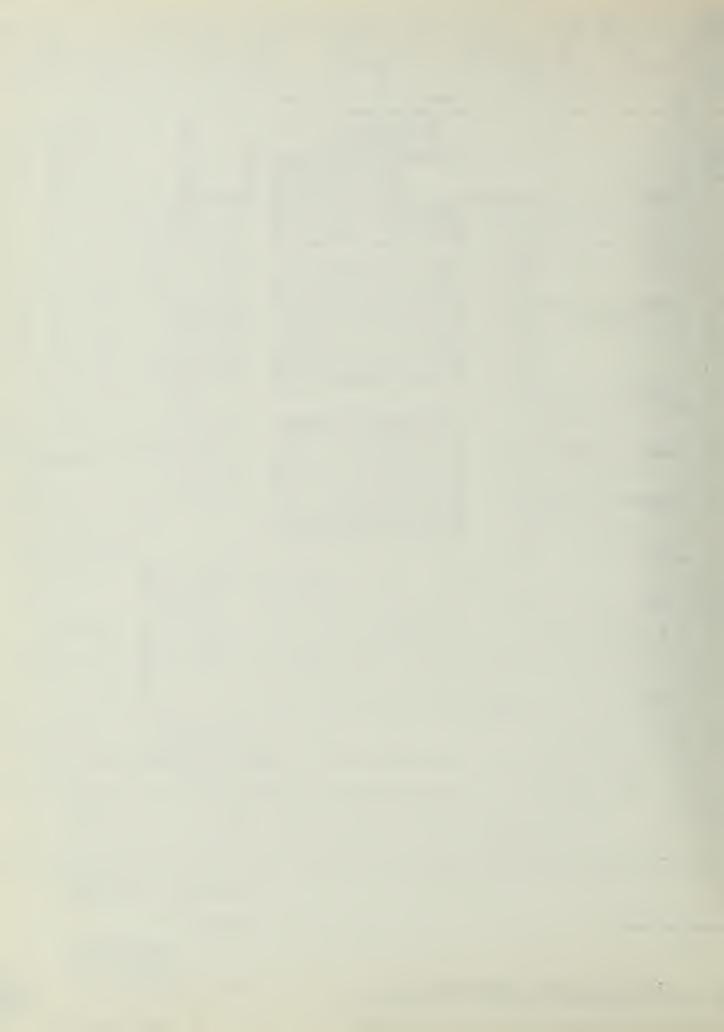
WAP 1: PROJECT AREA BOUNDARIES
(ERBA BUENA CENTER REDEVELOPMENT PROJECT AREA D-1

SITE



LIVINGSTON AND BLAYNEY



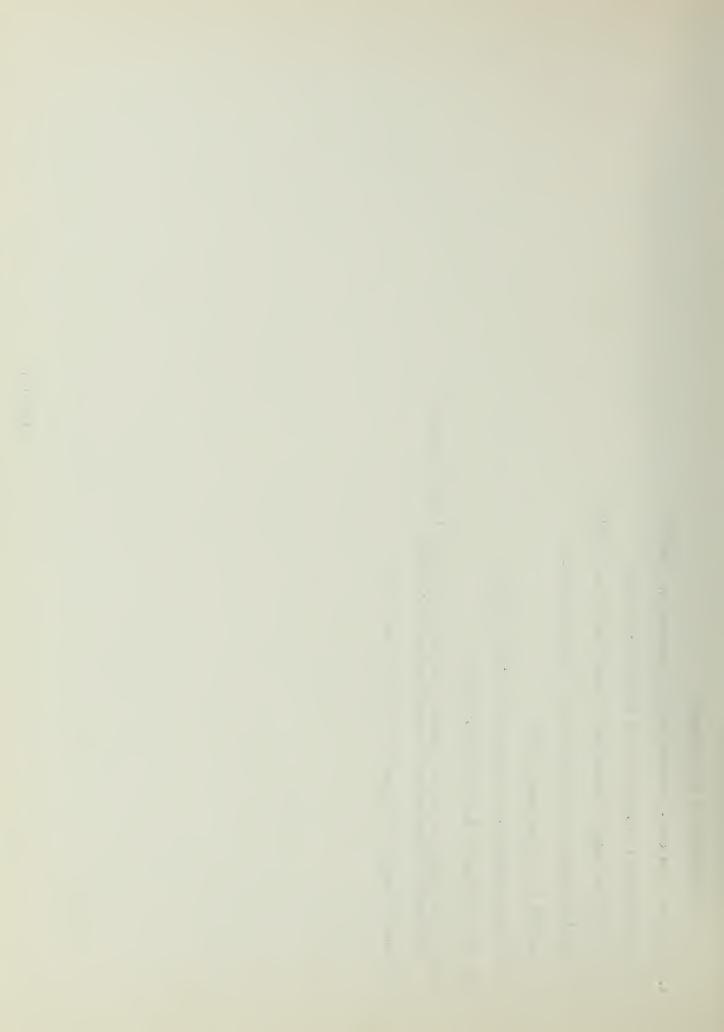


YERBA BUENA CENTER CENTRAL BLOCKS PRIVATE SITE LAND RENTS

SITE(1)	CONSTRUCTION SCHEDULE(2) START COMPLETION	SCHEDULE(2) COMPLETION	DEVELOPMENT(3) (SQUARE FEET)	BASIC LAND RENT(4)	PROJECTED LAND RENT 1976 1982	AND RENT 1982
Fourth and Mission Office	1972	1974	745,000	\$ 48,375(5)	\$ 48,375	\$ 48,375
Apparel Mart 1st phase 2nd phase	1972 1973	1974	1,000,000 (plus 600 car garage and 189,000 sq. ft. of Mart Retail)	\$102,250(6)	\$102,250	\$135,325
Central Plant	1974	1976	-0-	-0-	-0-	-0-
Hotel	1974	1976	(700 rooms)	\$175,000	\$175,000	\$175,000
Third and Mission Office	1974	9261	510,000	\$ 13,260	\$ 13,260	\$ 13,260
Fourth and Folsom Office	1974	1976	510,000	\$ 11,220	\$ 11,220	\$ 11,220
Retail Shops	1974	1976	152,000	\$ 38,000(6)	\$ 38,000	\$ 73,100
Market Street Office	1975	1978	705,000	\$ 83,495(7)	\$63,500 (9)	\$ 83,495
Airline Terminal	9261	1978	132,500	\$ 29,150(8)	-0-	\$ 29,150
			TOTAL	\$500,750	\$451,605	\$568,925



- Sites identified by improvements.
- (2) Source: Schlesinger-Arcon/Pacific Corporation (SHARP).
- (3) Architectural Program for the private facilities.
- (4) Based upon Agency Memorandum of Understanding with SHARP.
- (5) Includes amount for acquisition of the Block 3706-17.
- (6) Retail @ \$.25 per square foot.
- (7) Includes amount for acquisition of Block 3706-67.
- (8) Air terminal at \$.22 per square foot.
- Partial land rent in accordance with rent escalation table contained in the Agency's Memorandum of Understanding with SHARP. 6)
- (10) Retail spaces escalated to \$.425 per square foot.



PUBLIC FACILITIES INCOME PROJECTIONS

- A. EXHIBITION HALL
- B. MULTI-PURPOSE ARENA
- C. PARKING GARAGE

J. R. Recht B. L. Burris

March 3, 1972



A. EXHIBITION HALL

Three studies have been made estimating the income and expenses of the Exhibition Hall. A summary of the net income projections of each is given below in Table 1.

	Exhibition Ha	Table 1 all Net Income Proje	ctions
	ERA	MSG	SHARP
Rental	\$534,800	\$534,800	\$634,000
Concessions	82,500	115,500	92,000
Total	617,300	650,300	726,000
Use Days	74	74	104
In-out Days	51	51	89
Total	125	125	193
Expenses	324,600	405,900	683,000
Net Income	\$292,700	\$244,400	\$ 43,000

The Economic Research Associates (ERA) study estimates a net income of about \$293,000; the Madison Square Garden Corporation (MSG) study estimates \$244,000; and the Schlesinger-Arcon/Pacific Corporation (SHARP) study estimates \$43,000. The



studies project a gross income between \$617,000 and \$726,000, with the greater figure being the most recent and based upon conventions already booked in Yerba Buena Center. The studies differ more in projected expenses which ranged from \$325,000 to \$683,000. The studies showing higher operating expenses, the MSG and SHARP reports, emphasize the need for aggressive promotion and management and budget for such a program.

The large quantity of high quality food and beverage service facilities provided in the Exhibition Hall should result in significant income that is not generated in the Brooks Hall complex, nor to a similar extent in any but a few of the country's convention halls. The three studies cited above were prepared at a time when the food and beverage facilities were assumed to be much less than is presently programmed and budgeted. The studies all estimate concession income to be about \$100,000.

The new program for food and beverage facilities includes the following:



One coffee shop	120 seats
One restaurant	180
Three bars	200
Two hofbraus (100-300 seats)	(1) 200
Two hofbraus (300-600 seats)	(1) 450
Four food concessions (2,400 square feet)	120
Two bars (800 square feet)	(2) 40
Total	1,310 seats

A reasonable estimate for sales per food service seat is \$3,500 per year. Harris, Kerr, Forster, and Company recommends that figure for the coffee shop planned for the Yerba Buena Center (3) hotel. (It can also be assumed that the bars will generate a similar amount of gross income per seat). The yearly income figure can be seen as generated by \$15 per seat per day for 100 days of convention and show activity, \$10 per seat per day for other week days, and no sales on non-show weekends when many of the facilities would be closed. Assuming an annual sales per seat of \$3,500 results in a total sales of \$4,585,000 for the 1,310 seats.



- (1) Expandable number of seats. Number represents the total number of permanent seats plus one-half the number of temporary seats.
- (2) Assumes a seat equivalent of 20 square feet.
- (3) Report on Potential Market Demand and Statement of

 Estimated Average Annual Operating Results for a Proposed

 1500 Rooms Hotel to be Located in the Yerba Buena Center

 Redevelopment Area in San Francisco, California, January

 1970.

Lease rental is estimated at nine percent of gross sales, a realistic percentage because the lessee would have all fixtures and furnishings supplied by the facility. The rental income from the food and beverage facilities presently programmed would thus be estimated to be \$412,650. This amount is about \$300,000 greater than might have been expected before.

Given the large amount of revenue from the food and beverage facilities, it appears reasonable and appropriately conservative to assume that the Exhibition Hall complex will show a positive cash flow, even though it is insignificant in comparison to debt service and is not included in the revenue projections.

Income projected -0-.



B. MULTI-PURPOSE SPORTS ARENA

The major findings of the three studies prepared on the operation of the Multi-Purpose Sports Arena are given below in Table 2.

	Multi-Purpose	Table 2 Arena Income Proje	ctions
	ERA	MSG	SHARP
Renta1	\$563,820	\$709,400	\$1,218,500
Concessions	141,160	393,800	415,600
Other	-	157,500	195,000
Total	704,980	1,260,700	1,829,100
Use Days	185	195	209
Expenses	418,950	580,100	773,000
Net	\$286,030	\$680,600	\$1,056,100

The Economic Research Associates (ERA) study was based to a

large extent upon data from the Civic Auditorium and the

Los Angeles Sports Arena. The Madison Square Garden Corporation

(MSG) study had, to its advantage, knowledge of the operations of a

National Basketball Association and National Hockey League



(1) The ERA and MSG reports projected expenses, broken down by fixed and variable expenses, for the Exhibition Hall and Multi-Purpose Arena together. The projections in this Table result from dividing the projected fixed expenses in half for each facility and adding the appropriate variable expenses.

arena. The Schlesinger-Arcon/Pacific Corporation (SHARP) study was based primarily upon the operation of the Los Angeles Forum, the facility most comparable to the Yerba Buena Center Sports Arena. The Madison Square Garden Corporation projections are used in the planning for the Yerba Buena Center project.

The Madison Square Garden Corporation study notes that its projections assume the use of the Multi-Purpose Arena by both basketball and hockey teams. If only one of the teams used the Arena, many days would go unfilled by other events and there would be a reduction in net income. Other factors in this report, however, appear to be conservative. For example, no allowance is made for National Hockey League and National Basketball Association playoffs, which could be a large, though unpredictable source of revenue. Also, no provision is included for income from the use of television, either for the televised showings of internationally popular events or for the generation of cable TV programs from the Arena. It is anticipated that these sources will yield very significant



income, but it is difficult to project how much will be earned.

		Table 3		
M	ulti-Purpose	Sports Arena	Income Summary (escalated 20%	for
Gross Incom	e \$1	,260,700	inflation) \$1,512,840	
Expenses		580,100	696,120	
Net Income	\$	680,600	\$ 816,720	



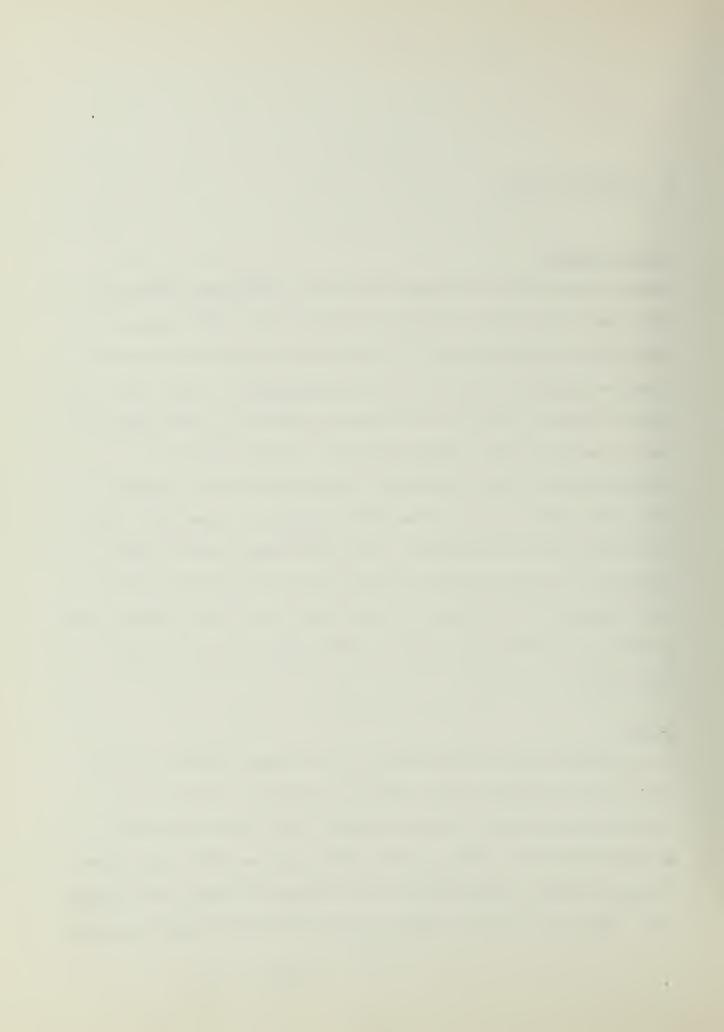
C. PARKING GARAGE

Parking Demand

Studies undertaken by Economic Research Associates (February 1970) and the Frank E. Carroll Company (July 1970) project sufficient parking demand in Yerba Buena Center and adjacent areas to support a 4,000 stall parking garage. Since the approved Master Plan for the Central Blocks of Yerba Buena Center calls for an 1,850 stall public garage under the Exhibition Hall (and a privately operated 600 stall garage under the apparel mart), the public garage is expected to be fully utilized each workday. The Yerba Buena Center public garage will also have the advantage of very frequent evening and weekend use for events in the sports arena and exhibit hall, as well as for the more than 360,000 square feet of retail facilities.

Rates

It is planned that the majority of the garage (about 80 percent will be utilized for transient parking. The rate has tentatively been set at 35¢ per hour. The Ellis-O'Farrell garage operated by the City has this rate, as does the Golden Gateway garage, except that in the latter the first hour costs 50¢. The rate is \$1 per hour in the Ghirardelli Square garage



and in excess of that amount at strategically located private garages in the Financial District and Union Square area.

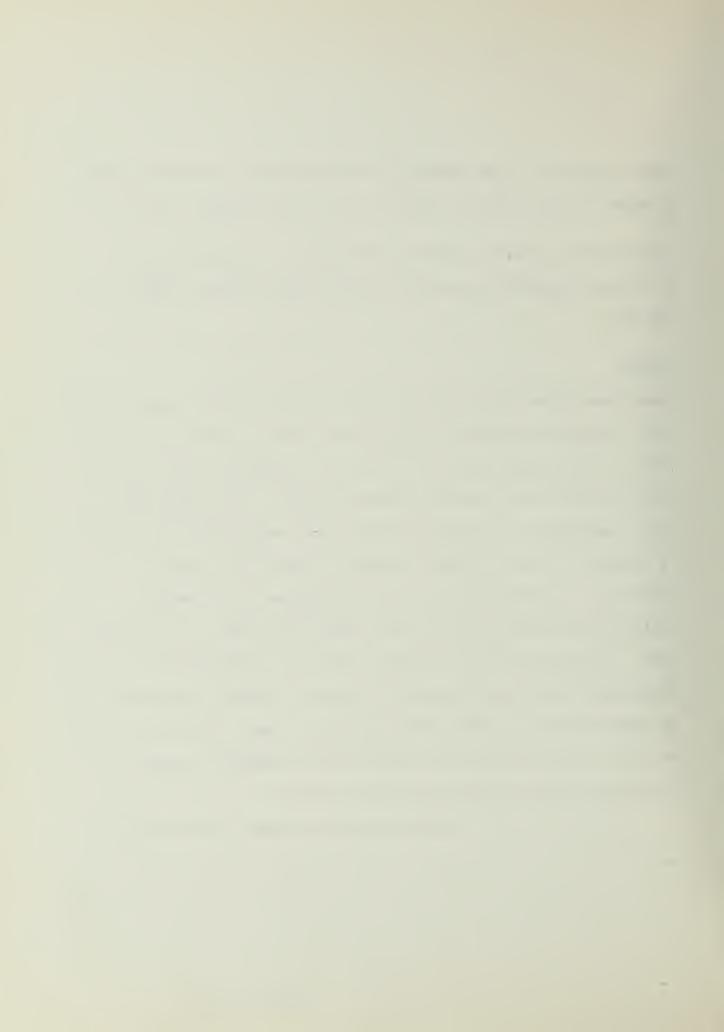
The cost for monthly parking privileges is tentatively set at \$45 per month, comparable to the Golden Gateway rate of \$42.50.

Income

Even though the rental from monthly parkers yields less income than transient parking, it is planned that up to 370 spaces (20% of the garage) will be utilized by parkers with a high priority for this specific garage location. The hotel may use a large portion of these spaces and each public facility is likely to need a limited number of spaces for their employees. Assuming that every 110 persons with monthly parking privileges will use only about 100 stalls at any one time, an overrent of ten percent should be anticipated.

Therefore, each stall devoted to monthly use will generate an annual income of \$45 times 12 months times 110 percent, or \$594. If 370 stalls are utilized for monthly parking, the annual gross income will be \$219,780.

Monthly Parking Income \$219,780



Each transient stall is projected to be utilized 2,600 hours per year, largely exclusive of evening arena and exhibit hall usage. This is approximately 265 hours below the average for the downtown garages controlled by the City. 2,600 hours at 35¢ per hour totals \$910 per stall. For 1,480 stalls the annual gross income will be \$1,346,800.

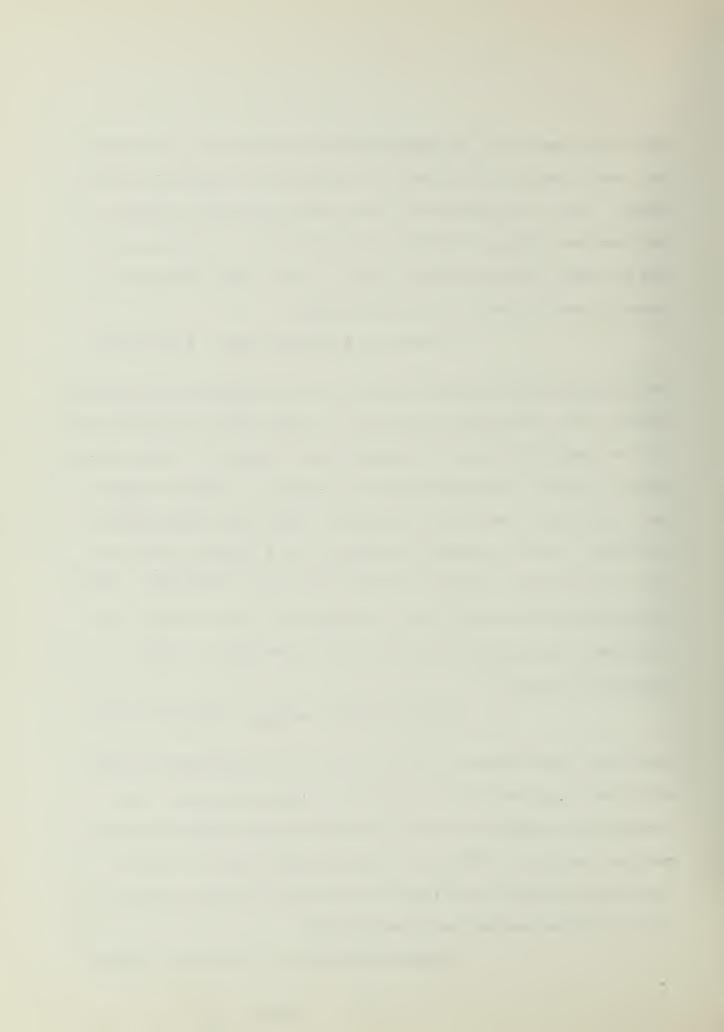
Transient Parking Income \$1,346,800

The Madison Square Garden Corporation has projected 195 events annually for the sports arena and 104 show and convention days for the exhibition hall. Assuming that one-half of the latter and all of the former generate an evening or weekend demand for 1,250 spaces at \$1.20 per space, the income generated is \$370,500. If the average occupancy is 2.5 persons per auto, then 1,250 spaces provides parking for 3,125 attendees. These projections thus assume that the majority of an average size attendance will either not drive their own auto or find parking elsewhere.

Special Event Parking Income \$370,500

The Yerba Buena garage, like all other City downtown garages, will have gasoline and associated products for sale. The average net income per stall for the six San Francisco public garages analyzed is \$51.60. Assuming this level for the Yerba Buena garage, the income generated by profit from the sale of these products will be \$95,460.

Income From Sales of Gasoline \$95,460



The sources of income identified above may be summarized as follows:

Monthly parking income	\$ 219,780
Transient parking income	1,346,800
Special event parking income	370,500
Sales net income	95,460
	\$2,032,540

Expenses

The average annual operating cost of the six public garages analyzed is \$323 per stall. The expenses of the individual garages vary from this average, being lower for larger garages (\$222 for Fifth and Mission and \$248 for Golden Gateway) and higher for garages with evening and weekend use (\$351 for Sutter-Stockton and \$456 for Portsmouth Square). The operating cost of the Yerba Buena garage is projected to be equivalent to \$300 per stall per year, the figure recommended in the Carroll report. However, because the garage will be owned by a public body, no possessory interest taxes will he levied. The average of the possessory interest taxes levied on the garages analyzed were \$65 per stall per year. The Yerba Buena garage expenses are thus estimated at \$235 per stall, or a total of \$434,750.

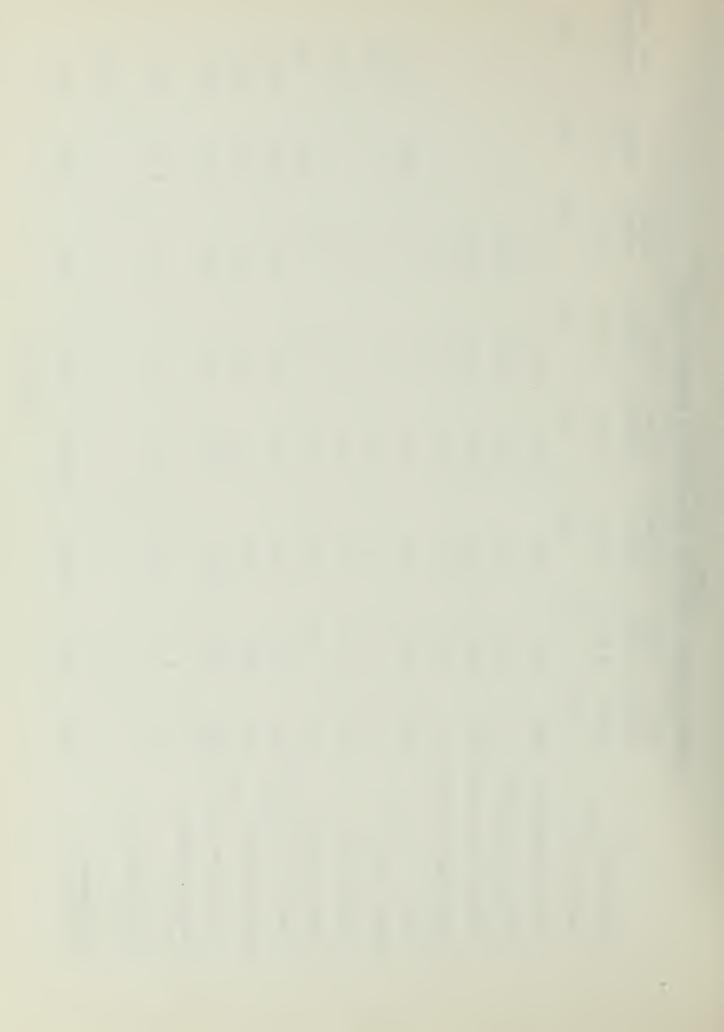
		le 4	
	Parking Garage	Income Summary escalated 20% for	inflation)
Income	\$2,032,540	\$2,439,048	
Expenses	434,750	521,700	
Net Income	\$1,597,790	\$1,917,348	



DOWNTOWN GARAGES OPERATED BY CITY-SPONSORED NON-PROFIT CORPS.

	5th & Mission	Civic Center	Portsmouth Square	Sutter- Stockton	Ellis- O'Farrell	Golden Gateway	Average	Yerba Buen (proposed)
(2) Monthly rate	\$27.50	\$ 27.50	\$ 37.50	\$ 37.50	\$ 31.00	\$ 42.50	\$ 33.90	\$ 45.00
Transient rate	15¢	25¢	25¢	25¢	35¢	40¢	28¢	35¢
Total revenues(000's)	\$788	\$407	\$547	\$713	\$536	\$641		
Monthly revenues(000's)	48	\$113	\$ 75	\$ 30	\$154	\$247		
Transient revenues(000's)688	s)688	\$281	\$427	\$642	\$318	\$347		
Profit from sales(000's) 51	15 (\$ 14	\$ 45	\$ 41	\$ 64	\$ 47		
Stalls (2)	2000	840	504	865	160	186	266	1850
(3) Monthly stalls	133	310	190	19	377	441		370
Transient stalls	1867	530	314	804	388	540		1480
Percent transient	85%	63%	62%	93%	20%	25%	%69	%08
Transient hours/stall	2460	2120	5436	3194	2377	1605	2865	2600
Monthly per stall (5)	\$363	\$363	\$396	\$495	\$409	\$561	\$431	\$594
Transient per stall	\$369	\$530	\$1359	\$798	\$832	\$642	\$755	\$910
Profit from sales per stall	\$ 26	\$ 16	\$8	\$ 47	\$ 84	\$ 48	\$ 52	\$52
<pre>Event Income per stall(7)</pre>								\$200
Total Revenue Per Stall	\$394	\$485	\$1,085	\$824	\$703	\$653	169\$	\$1099

Exhibit III

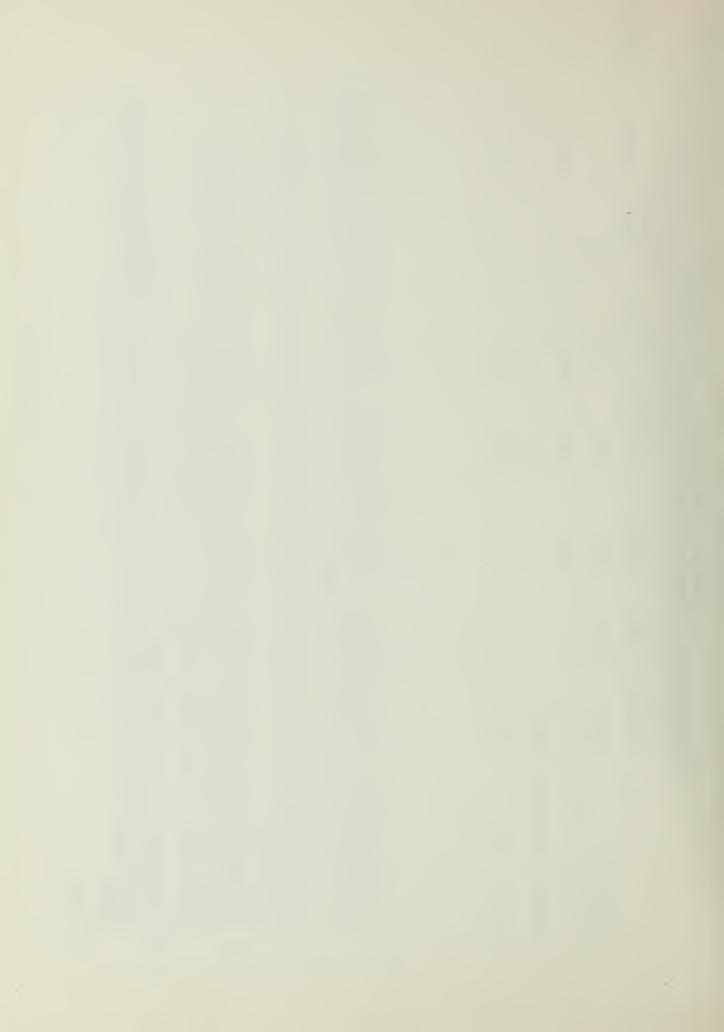


DOWNTOWN GARAGES OPERATED BY CITY-SPONSORED NON-PROFIT CORPS.

pa (

	5th & Mission	Civic	Portsmouth Square	Sutter- Stockton	Ellis- 0'Farrell	Golden Gateway	Average	Yerba Buena (proposed)
Expenses(000's)	\$443	\$128	\$230	\$304	\$389.	\$243		
Expenses per stall	\$222	\$152	\$456	\$351	\$512	\$248	\$323	\$235
Taxes and licenses(000's)\$ 82	s)\$ 82		\$ 37	\$ 57	\$ 61			
Taxes per stall	\$ 41		\$ 74	\$ 66	\$ 80		\$65	

- and Union Square, both generating high cash flows. A City-sponsored non-profit corporation also operates the Japanese Cultural and Trade Center Garage, west of Van Ness Avenue, which has a minimal cash flow. All data, unless otherwise footnoted, is from the August 31, 1971 report by the office of the Controller concerning Automobile Parking Facilities. Other downtown garages with City participation are St. Mary's $\widehat{\Xi}$
- many cases rates increase after two or three hours, but have a maximum. In other cases, more than one All rates exclude the City parking tax. The rates in the table approximate the average rate charged. rate exists. (2)
- The number of stalls occupied by monthly parkers is estimated by dividing the monthly revenues by the annual rate for monthly parking increased by a factor of 10% to account for the fact that, on the average, approximately 10% of the monthly renters are not present at any given time. The transient stalls figures is the difference between the total and the monthly stalls. (3)
- The transient hours per stall figure in derived by dividing the revenues from transient parking by the estimate of stalls used for transient use times the transient parking rate. The large number of hours for Portsmouth Square results from the large amount of evening and weekend use of all stalls in the (4)



- The revenue per stall for monthly parking is calculated by augmenting the annual rental by 10%, as explained in (3) above. (2)
- The figures for transient and profit from sales per stall were calculated by dividing the revenues from transient and profit from sales by the estimate of transient stalls and total stalls, respectively. (9)
- Assumes 1250 autos at a \$1.20 rate for all arena events and one-half of exhibition hall events. 3
- The Controller's report includes the item "Taxes and Licenses"; licenses account for less than \$1,000 of each figure. Apparently no possessory interest taxes are levied on the Civic Center and Golden Gateway garages. 8



YERBA BUENA CENTER PUBLIC FACILITIES USE TAX PROJECTIONS(1)

Attendance (non-delegate) 1,423,100 Exhibition Hall
(3)
264,000

Tax (@ 50¢) \$ 711,550 \$ 132,000

Total \$843,550

⁽¹⁾ Taxes charged on admissions to the Multi-Purpose Sports Arena and consumer shows held in the Exhibition Hall.

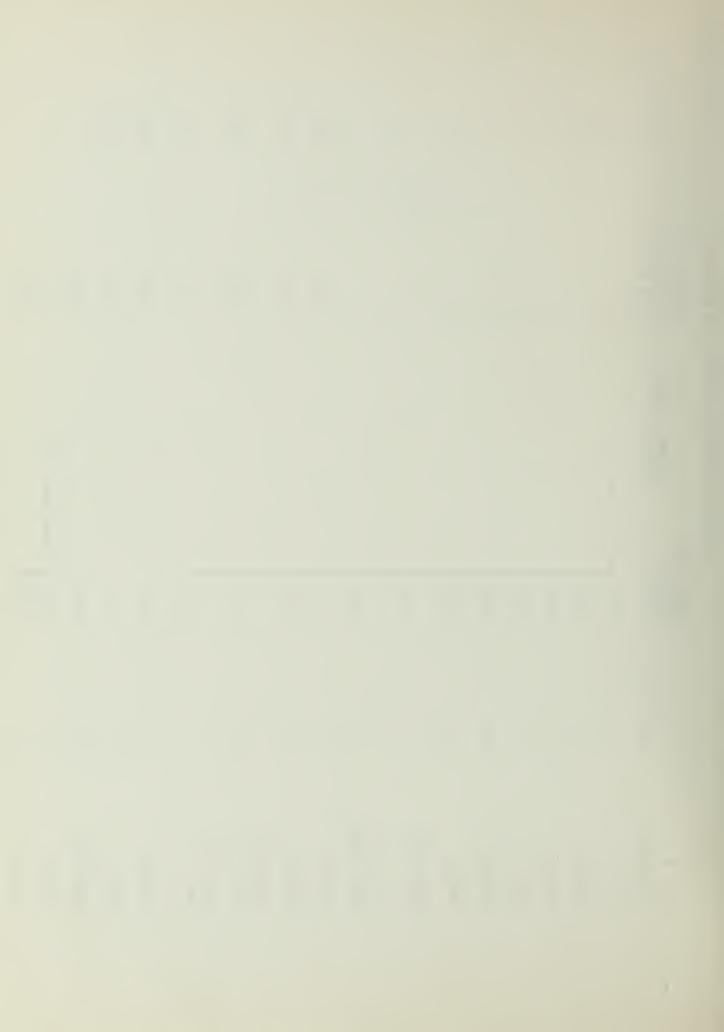
⁽²⁾ Source: Madison Square Garden Corporation.

⁽³⁾ Assuming 8,000 per day attendance, 33 days as projected in the Economics Research Associates and Madison Square Garden Corporation studies.



~	PROJECTED HOTEL TAX RECEIPTS
CENTER	L TAX
SUENA	HOTE
YERBA BUENA CENTER	ROJECTE
	AND P
	CTUAL

ANNUAL YBC ANNUAL TAX RECEIPTS CUMULATIVE YBC (000's) TAX RECEIPTS	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,462	1,560 3,022	3,846	713 4,559	1,530* 6,089*	1,530* 7,619*	1,530*	1,561*	1,592*
ANNUAL TAX RECEIPTS AVERAGE ANNUAL (000's)	1,144	1,225	1,271	1,477	1,650	998*	587	364	929	000	191	1,981	4,250*	4,250*	4,250*	4,335* 2%	4,422*
ANN REC TAX RATE (%) (00	3.0 1,1	3.0 1,2	3.0 1,2	3.0 1,4	3.0 1,6	3.0 1,8	3.0	5.0 2,364	5.0 3,656	5.0 3,900	5.0 2,061	5.5	5.5 4,2	5.5 4,2	5.5 4,2	5.5 4,3	5.5
FISCAL YEAR	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	July 1967- Sept. 1967	Oct. 1967- June 1968(2)	1968-69	1969-70	July 1970- Dec. 1970	Jan. 1971- June 1971	1971-72	1972-73	1973-74(3)	1974-75	1975-76

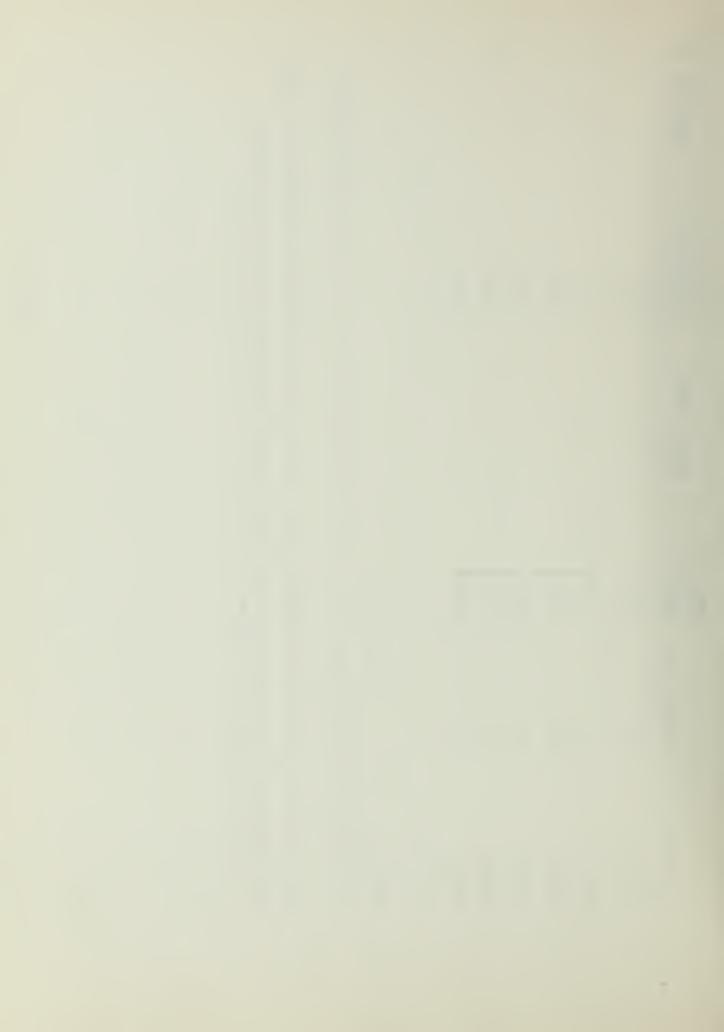


ACTUAL AND PROJECTED HOTEL TAX RECEIPTS

FISCAL YEAR	TAX RATE (%)	ANNUAL TAX RECEIPTS (000's)	AVERAGE ANNUAL GROWTH	ANNUAL YBC TAX RECEIPTS (000's)	CUMULATIVE YBC TAX RECEIPTS
1976-77	5.5	5,085*	15%	1,831*	
1977-78	5.5	5,187*	2%	1,867*	
1978-79	5.5	5,291*		1,905*	
1979-80	5.5	5,397*		1,943*	
1980-81	5.5	2,505*		1,982*	
1981-82	5.5	5,615*		2,021*	

*Indicates an estimate of future receipts.

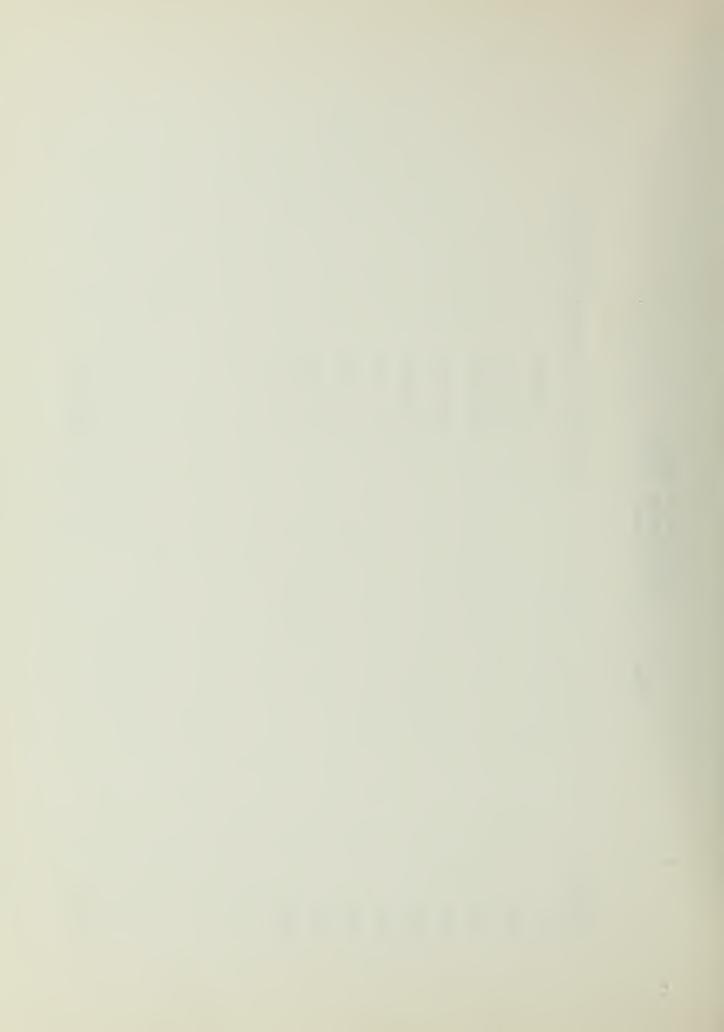
- Sources: Controller's Annual Report (FY 1961-62 through 1970-71). FY 1971-72 receipts estimated by the Controller's Office. $\widehat{\Xi}$
- Hotel Tax increased to 5% on October 1, 1967. YBC received 2% of that amount starting July 1, 1968. (2)
- Commencement of last bond sale in April 1974. YBC hotel tax returns estimated to be equal to \$8,384,000 including tax on occupancy through the end of the preceeding whole quarter (i.e., as of December 31, 1973). (3)



YERBA BUENA CENTER REDEVELOPMENT PROJECT SUMMARY OF PROJECTED ANNUAL PROPERTY TAX INCREMENTS

TAX YEAR	PROJECTED TAX INCREMENTS (CUMULATIVE)
1974	\$ 1,168,600
1975	3,359,600
1976	6,811,200
1977	8,913,100
1978	10,319,800
1979	10,319,800
1980	10,319,800
1981	10,319,800
1982	10,319,800

Exhibit VI



ASSESSED VALUATION AND TAX INCREMENT PROJECTIONS REDEVELOPMENT PROJECT YERBA BUENA CENTER SUMMARY TABLE

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REVENU SE (4)							(E)	(c)			
R ANNUAL TAX REVENU 5(3) OVER BASE (4)		1	1,168,589	3,359,567	6,811,237	8,913,087	10,319,752	10,319,752	10,319,752	10,319,752	10,319,752
ASSESSED VALUE OVER BASE OF \$11,293,455(3)	1		9,179,840	26,390,940	53,505,440	70,016,440	81,066,440	81,066,440	81,066,440	81,066,440	81,066,440
TOTAL ASSESSED VALUE (CUMULATIVE)(2)	\$ 7,363,795	7,921,095	20,473,295	37,684,395	64,798,895	81,309,895	92,359,895	92,359,895	92,359,895	92,359,895	92,359,895
INCREMENTS (1) IMPVTS.	\$ 5,812,710	ı	11,125,000	15,846,600	26,900,000	16,511,000	11,050,000	ı	•	•	•
EAR ENDING ANNUAL INCREMENTS (1) June 30 LAND IMPVTS.	\$ 1,551,085 \$ 5,812,710	557,300	1,427,200	1,364,500	214,500	1	1	ı	ı	ı	•
YEAR ENDIN June 30	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982

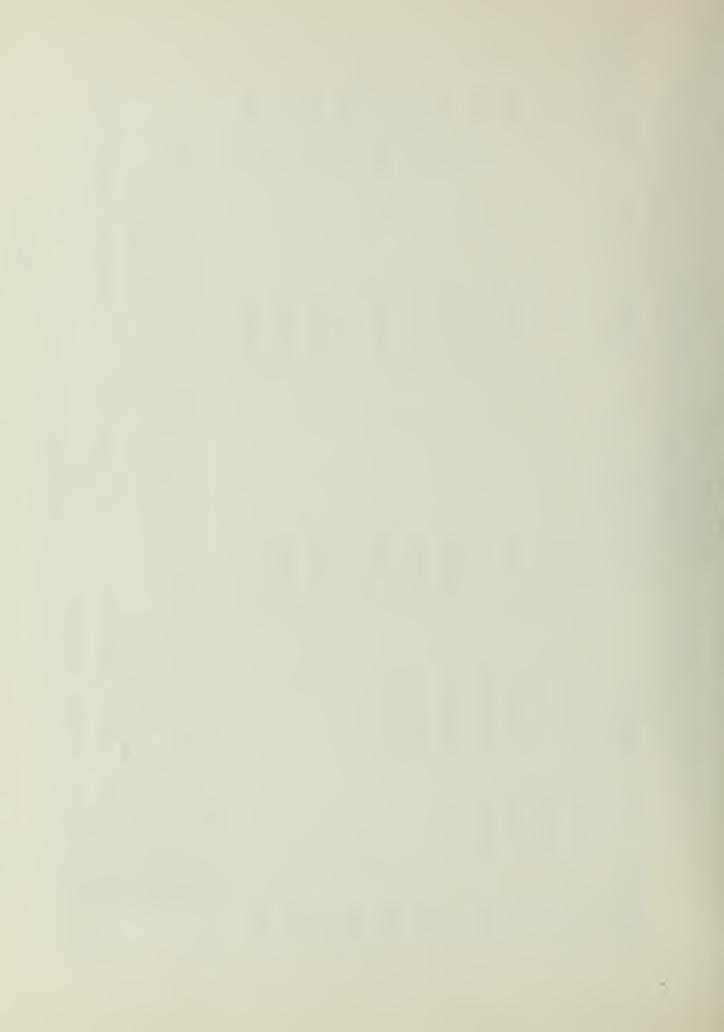
Based on Tables 1-3, attached. E2

The land and improvements assessed values for Owner Participation parcels only taken from 1971-72 equalized tax rolls. In making projections for the years 1972-1982, the assessed values of Owner Participation parcels were held to this base, even though it may reasonably be expected that they will appreciate. These values contain no allowance for additions or improvements which will be required of all Owner Participants.

Base year assessed values of last equalized tax roll (dated 7-5-65) prior to approval of Redevelopment (3)

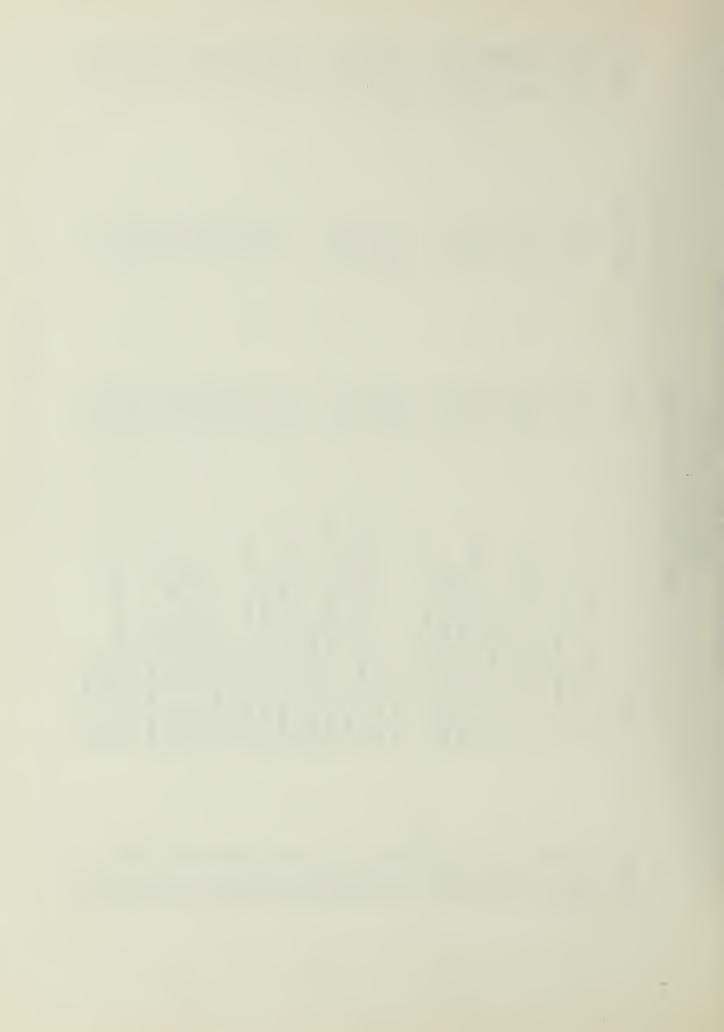
Plan 4-25-66.

At 1971-72 tax rate of \$12.73 per \$100 of assessed value. For years 1979-1982 it is assumed there will be no new additions to tax rolls. (4) Exbibit VI



ASSESSED VALUATION AND TAX INCREMENT PROJECTIONS SUPPORTING TABLE ONE ASSESSED VALUES (1) OWNER PARTICIPATION PARCELS

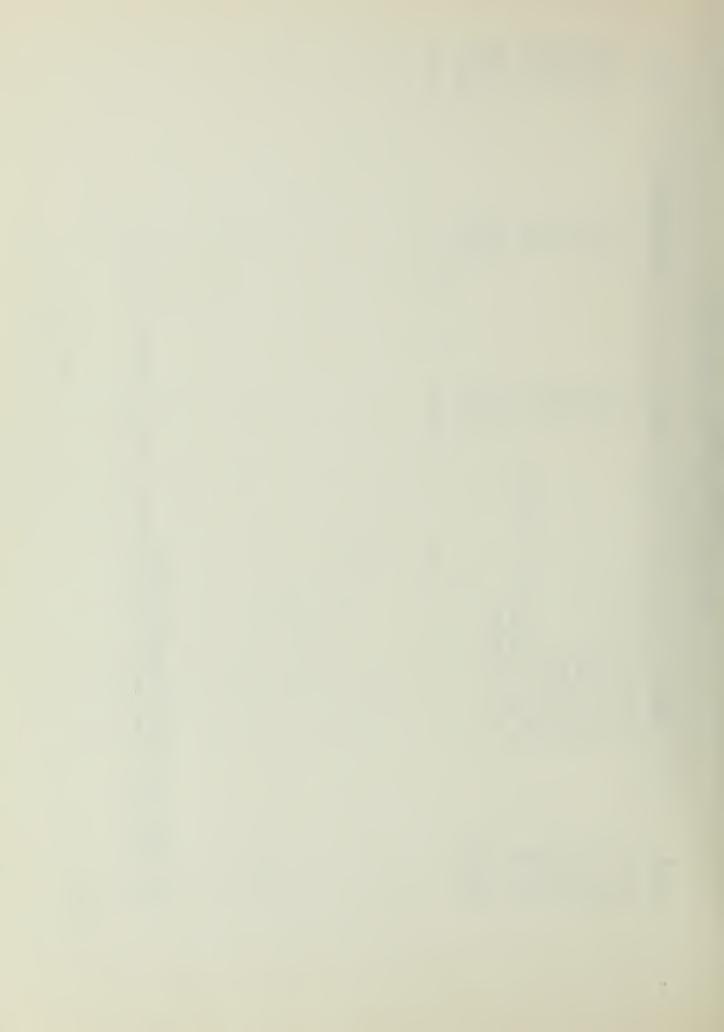
TOTAL	\$ 20,875 52,550 - 55,500 66,250 41,375 41,025 107,825 690,400 130,350	3,900,620 1,087,500 184,650 51,600 25,500 43,300 43,300 14,700 18,125 18,125 18,125 18,625 6,750 13,500 23,125 125,000 65,000 65,000 65,250
IMPROVEMENTS	\$ 7,700 16,250 32,500 45,750 9,875 15,700 42,000 625,000 10,500	3,534,760 992,075 128,500 25,250 9,075 25,000 6,250 8,900 4,050 9,475 7,625 5,375 13,500 83,500 48,750 9,375
LAND	\$ 13,175 36,300 23,000 20,500 31,500 25,325 65,825 65,400	365,860 95,425 56,150 26,350 16,425 18,300 8,450 2,700 8,650 7,250 2,975 5,925 9,625 11,750 4,075
OWNER	Fred Alexander Company E.A. Bonelli and R. C. Young City and County of S.F. Elsie Nishkian Corporation S. E. Massengill Company Union Oil Company of Calif. Claire W. Golden Lee Wolcott and Geo. Wagner United California Bank United California Bank	Union As ropertie Anthony de LaFor pany go Harms A. Dehl Matzger Company
PARCEL	3705-5 3722-27 3722-28 3724-14 3733-8 3735-9 3735-10 3735-12 3735-12	Inclusive (2) 3735-46 3735-46 3735-55 3750-9 3750-9 3750-75 3750-78 3750-78 3751-29 3751-29 3751-34 3751-34 3751-79 3751-79 3751-79 3751-160 3751-160



SUPPORTING TABLE ONE ASSESSED VALUES OWNER PARTICIPATION PARCELS (CONTINUED)

TOTAL	1	16,250	38,750	8,000	000,9	8,000	11,000		18,125	18,750	21,750	\$7,052,795	
IMPROVEMENTS	1	9,300	25,000	5,000	3,000	5,000	5,600		11,250	8,800	10,500	\$5,812,710	
LAND	1				3,000						11,250	\$1,240,085	
OWNER	City and County of S.E.	Pella Sales Co., Inc.	My Nin Wong	Betty Stone	Betty Stone	Betty Stone	Pompey P. and Amelia M. Scribante	United California Bank and Schrader	et al, Trustees	= =	= = =	Total	
PARCEL	3752-10	3752-11	3752-11A	3763-93	3763-94	3763-95	3763-96	3763-99		3763-100	3763-101		

Source: San Francisco Assessor's Office State Board of Equalization - Allocated Values for Map No. 279-38-19, Parcel 2 £

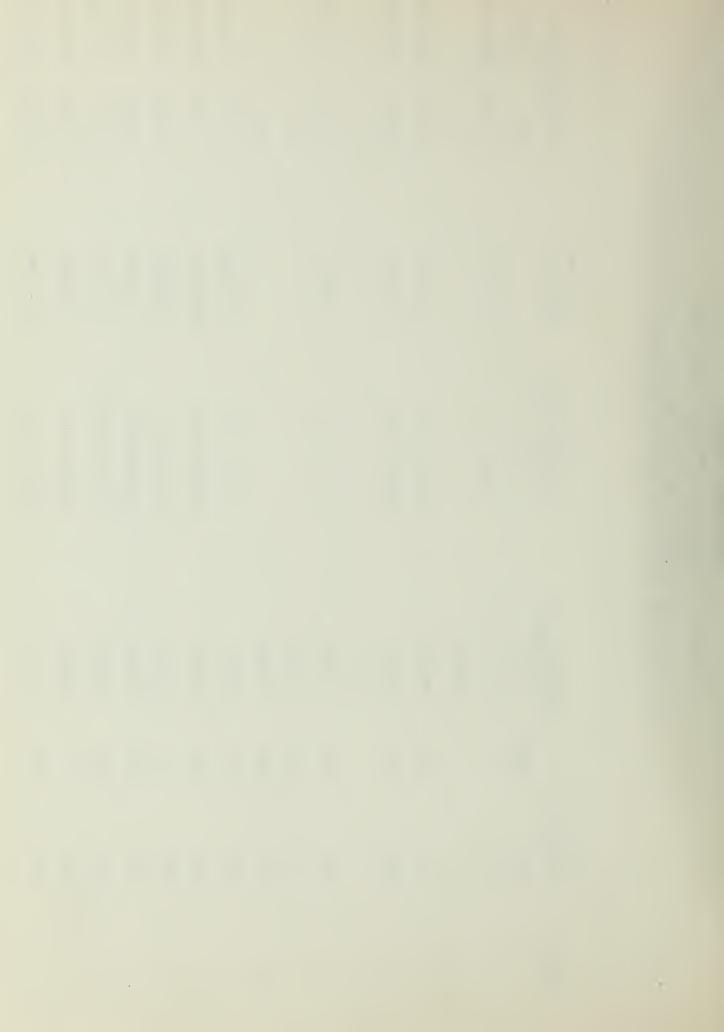


YERBA BUENA CENTER REDEVELOPMENT PROJECT ASSESSED VALUATION AND TAX INCREMENT PROJECTIONS SUPPORTING TABLE TWO CALCULATION OF ASSESSED VALUES PERIPHERAL PARCELS AVAILABLE FOR DEVELOPMENT

PARCEL	DATE RE-ENTER TAX ROLLS (1)	TER (1)	LAND VALUE (2)	SITE DEVELOPMENT (3)	IMPROVEMENT VALUE (4)	ASSESSED	ASSESSED VALUE (5)
	LAND	IMPVTS.	*ACTUAL SALE PRICE	(SQ. FT. X SQ.FT. COST)		LAND	IMPVTS.
_	1974	1976	\$ 243,750	40,000 @ 35	\$1,680,000	006,09 \$	\$ 420,000
2			210,000 *			(9)	
က	1974	1976	994,500	500,000 @ 35	21,000,000	248,600	5,250,000
4	1976	1978	493,500	200,000 @ 30	8,400,000	123,400	2,100,000
5			168,000 *			(7)	
9	1973	1975	78,000	31,200 @ 20	686,400	19,500	171,600
7	1974	1976	61,875			(8)	
∞	1973	1975	18,000			(6)	
6	1975	1977	330,480	150,000 @ 20	3,900,000	82,600	975,000
10	1975	1977	2,302,200	400,000 @ 30	15,600,000	575,600	3,900,000
11	1974	1976	255,600	100,000 @ 30	3,600,000	63,900	000,006
12	1974	1976	98,080	30,000 @ 20	720,000	24,500	180,000
13	1973	1975	651,980	300,000 @ 30 (10)	000,006,6	163,000	2,475,000
14	1975	1977	80,750	40,000 @ 20	1,040,000	20,200	260,000
15	1974	1976	1,148,000	500,000 @ 30	18,000,000	287,000	4,500,000

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ASSESSED VALUATION AND TAX INCREMENT PROJECTIONS PERIPHERAL PARCELS AVAILABLE FOR DEVELOPMENT CALCULATION OF ASSESSED VALUES REDEVELOPMENT PROJECT SUPPORTING TABLE TWO YERBA BUENA CENTER

ASSESSED VALUE (5)	IMPVTS.	235,000 \$ 9,075,000	5,688,000	5,688,000
ASSESSED	LAND	235,000	206,300	218,900
		₩		
IMPROVEMENT		36,300,000	22,750,000	22,750,000
SITE DEVELOPMENT (3)	(SQ. FT. X SQ. FT. COST)	1,000,000 @ 33 (11) \$ 36,300,000	500,000 @ 35	500,000 @ 35
I AND VALUE (2)	*ACTUAL SALE PRICE	940,000	825,000	875,600
	S.	₩		
ENTER C (1)	IMPVTS.	1975	1977	1977
DATE RE-ENTER	LAND	1973	1975	1975
DADCEI		16	17	18

Assumes two years between land take down and construction completed. Redevelopment Agency staff estimates based on Real Estate Reserach Corporation reuse land values. 26667

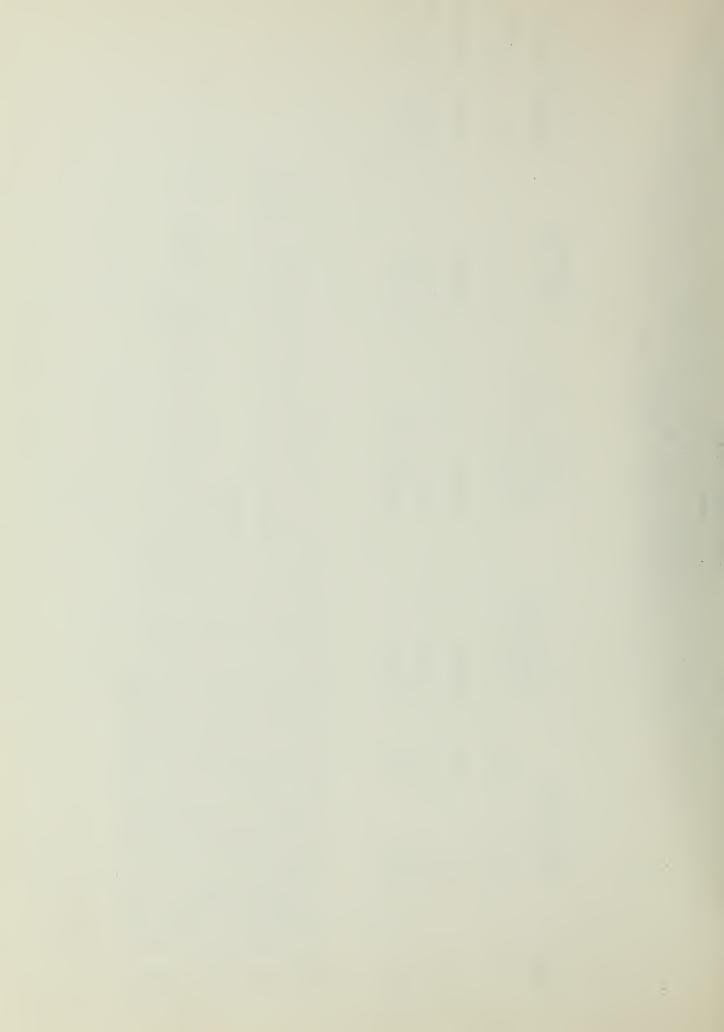
Redevelopment Pĭan permits greater site development than is anticipated for each parcel. Improvement value assumes 10% annual escalation of construction costs over base year 1972 estimate.

Assume one-quarter of market value. City owned (Fifth and Mission Garage extension). Not taxed. City owned (Clementina Towers Public Housing). Not taxed.

However, site will include 10,000 sq. ft. commercial space improvements which should have an assessed value of \$75,000. Non-profit ownership (Salvation Army; low-to-moderate priced housing). Not taxed.

Non-profit ownership (Salvation Army; low-to-moderate priced housing). Not taxed.

Taylor Woodrow Property Company, Ltd. cost estimate. Del Monte Corporation cost estimate.



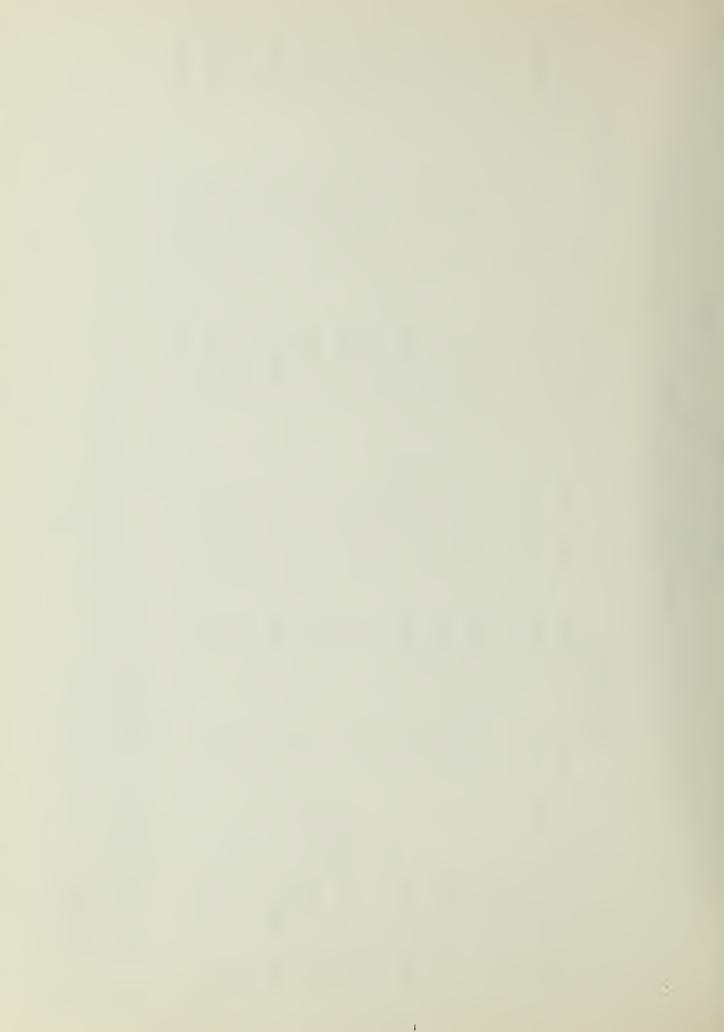
ASSESSED VALUATION AND TAX INCREMENT PROJECTIONS SUPPORTING TABLE THREE CALCULATION OF ASSESSED VALUES CENTRAL BLOCKS YERBA BUENA CENTER REDEVELOPMENT PROJECT

Site (1)	Date Re-Enter Tax Rolls (2)	Enter 1s (2) Impots.	Land Value (3)	Improvement Value (4)	Assessed	Assessed Value (5) Improvements
Fourth and Mission Office	1972	1974	\$ 604,700	\$ 28,000,000	\$ 151,200	\$ 7,000,000
Apparel Mart						
1st Phase	1972	1974	\$ 639,100	16,500,000	\$ 159,800	4,125,000
2nd Phase	1973	1975	\$ 639,100	16,500,000	\$ 159,800	4,125,000
Central Plant	1974	1976	(9) -0-	3,800,000	-0-	950,000
Hotel	1974	1976	\$2,137,500	16,000,000	\$ 546,900	4,000,000
Third and Mission Office	1974	1976	\$ 165,800	18,000,000	\$ 41,500	4,500,000
Fourth and Folsom Office	1974	1976	\$ 140,300	18,000,000	\$ 35,100	4,500,000
Retail Shops	1974	1976	\$ 475,000	6,800,000	\$ 118,800	1,700,000
Market Street Office	1975	1978	\$1,043,700	31,000,000	\$ 260,900	7,750,000
Airline Terminal	1976	1978	\$ 364,400	4,800,000	\$ 91,100	1,200,000
				Total	\$1,565,100	\$ 39,850,000

Sites identified by site improvements. Estimated by Schlesinger-Arcon/Pacific Corporation.

Land values were then calculated by capitalizing private site land rents at 8%. Estimated by Schlesinger-Arcon/Pacific Corporation. One quarter of estimated market value.

No site identified at this time.

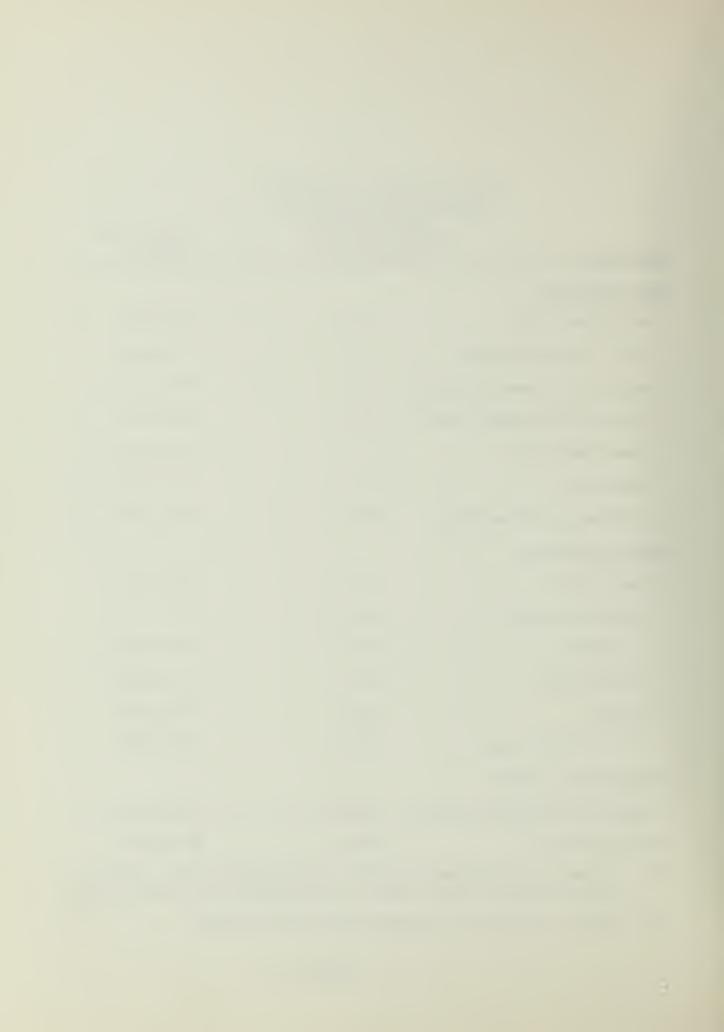


PROJECTED PROPERTY TAX RETURNS RESULTING FROM HOTEL/MOTEL CONSTRUCTION (1)

HOTEL/MOTEL CO	ONSTRUCTION COST (MILLIONS)(2)	ANNUAL TAX RETURNS
Newly Completed:		
Barrett Motor Inn	\$ 3.8	\$120,935
Holiday Inn/Civic Center	\$ 2.9	\$ 92,293
Holiday Inn/Financial Dist	rict \$15.0	\$477,375
Holiday Inn/Fisherman's Who	arf \$ 3.5	\$111,388
Lombard Motor Inn	\$.8	\$ 25,460
Rodeway Inn	\$ 1.0	\$ 31,825
San Francisco Hilton Tower	\$20.0	\$636,500
Under Construction:		
Quality Hotel	\$ 3.0	\$ 95,475
Hyatt/Union Square	\$30.0	\$954,750
St. Francis	\$28.0	\$891,100
Stanford Court	\$17.0	\$541,025
Westbury	\$12.0	\$381,900
Holiday Inn/Van Ness	\$12.0	\$381,900
On the Drawing Board:		
Howard Johnson/South Van N	ess \$ 9.0	\$286,425
Fourteen Hotels	\$158.0	\$5,028,351

⁽¹⁾ Includes only hotels/motels built in anticipation of YBC. Does not include Yerba Buena Center Hotel or Regency Hyatt Embarcadero Center.

⁽²⁾ Source: San Francisco Convention and Visitors Bureau.

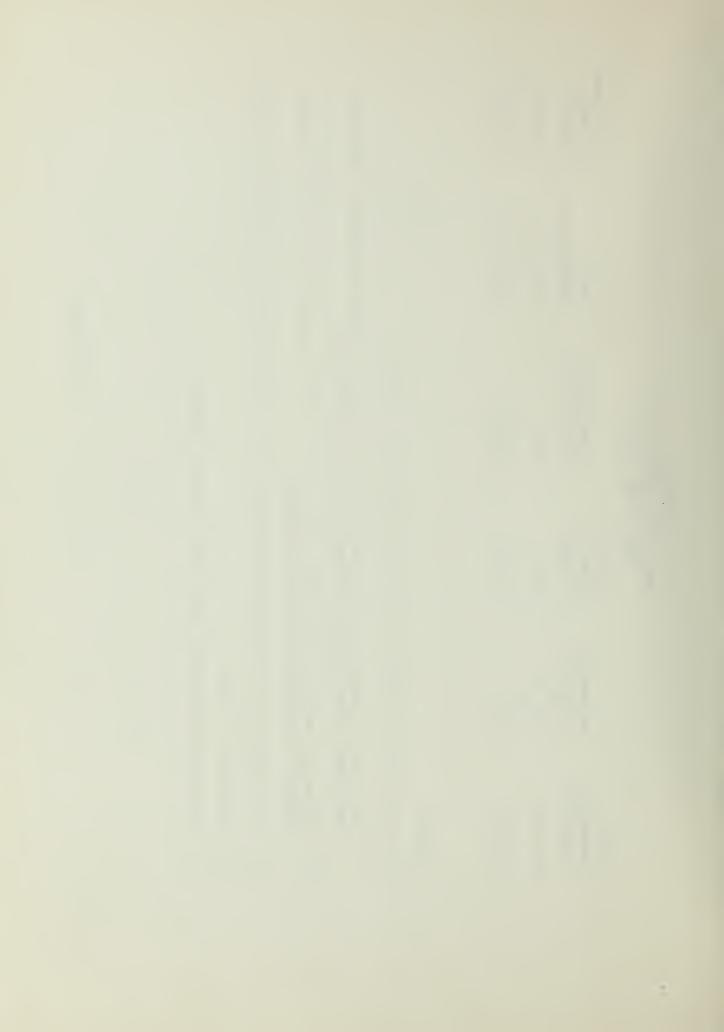


INCREASED SALES TAXES GENERATED BY YERBA BUENA CENTER

Local Share of Sales Taxes(5)	\$416,990	\$250,190
Gross Expenditures	\$41,699,000	\$25,019,000
Expenditures Per Visitor(4)	\$144.73	\$144.73
Increase in Convention Visitors	288,113	172,868
Percentage Increase	50%	30%
Total Convention Visitors(1)	576,225	576,225

Source:

- San Francisco Convention and Visitor Study, Part 1, May 1971 $\widehat{\Xi}$
- San Francisco Convention and Visitors Bureau estimate of increase in convention visitors to Yerba Buena Center assuming continued operation of Brooks Hall. (2)
- Percentage increase assumes that a number of years will be required before the fifty percent increase in convention visitors is achieved. (3)
- Same source as (1). Includes retail sales, hotel or motel restaurants, and other restaurants. **(4)**
- (5) One percent of sales.
- 6) Schlesinger-Arcon/Pacific Corporation estimated \$270,000.



YERBA BUENA CENTER PARKING TAX PROJECTIONS

Public Garage (1,850 stalls)

Monthly Parking	\$ 219,780
Transient Parking	1,346,800
Special Event	370,500
	\$1,937,080
Parking Tax (@ 10%)	\$ 193,708
Escalated Parking Tax (@ 20%)	232,450
Private Garage (600 stalls)	
Escalated Parking Tax (@ 20%)	\$ 75,390
Total	\$ 307,840

⁽¹⁾ Using \$125.65 per stall (equivalent to public parking garage).

